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THE FINANCIAL POST

The Canadian Newspaper for Business Men and Investors

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GOOD OUTLOOK BUT BUSINESS IS VERY CAUTIOUS

Little New Credit in West Until Old Debts Are Paid

POSITION OF FARMER

Some of Them Think They Should Be Protected from Collectors This Year—Rural Conditions

With crop reports from practically all parts of Canada and particularly the West, indicating very satisfactory conditions to date and splendid prospects for the harvest, with the prairie provinces reporting an estimated seeded acreage of about 16,500,000 compared with 12,750,00 acres last year and with world conditions indicating profitable market prices, business is regarding the outlook with increased confidence. The satisfactory outlook is of course tending to increase spending on the part of the farmers but this is not the case in western Canada to the extent of other years when conditions have been similar. Banks, mortgage companies and merchants are generally taking the attitude that they want to get accounts adjusted before making new loans or contracting new credits.

In certain districts in the West where there have been poor crops for some seasons and the farmers have gone heavily into debt some of them are evidently of the opinion that they should not be expected to settle up with a year's profits but rather play the role of the prodigal son. No doubt the banks, loan companies and merchants will press consistently to collect after the harvest but they will undoubtedly display judgment in doing so and safeguard the farmer as to his capital for future operations as they have done in the past.

Western retailers as yet are not showing a general disposition to build up their depleted stocks even in the fact of good crop prospects. Past experience has evidently taught them that there is "many a slip" with the crop. They will sell for cash only in most cases and the improvement in business seems to be rather in luxuries for the people with money than an increase in demand for staples. Undoubtedly if the crop forecasts are lived up to there will be a demand which will be quickly reflected in wholesale and industrial circles but retailers generally will for a time at least buy carefully and give credit sparingly.

The Market Outlook

The market outlook as regards agricultural products is of great importance to Canada. "Before the war," writes a correspondent in the "Economist," "taking a yearly average for the year 1909 to 1913 the world production of wheat was 464,75 million quarters which was produced as follows:

Annual average world production of wheat for the years 1909 to 1913. (Total world production about 464.75 million quarters.)

Russian Empire	23 per cent.
Russian Empire	23 per cent.
United States	19 per cent.
India	9 per cent.
France	8 per cent.

Followed by Austria-Hungary, Canada, Italy, and Argentine in order of importance of total yield.

The consumption of wheat imported annually before the war amounted to 75.5 million quarters which was consumed as follows:

Annual average importation of wheat for the years 1909 to 1913. (Total amount imported about 75.5 million quarters).

United King. ..	27.25 million quarters
Germany	11.2 million quarters
Belgium	9.25 million quarters
Netherlands ...	9.5 million quarters
Italy	6.6 million quarters
France	4.8 million quarters

Re-exports chiefly in the form of flour, totalled between 12.25 and 12.5 million quarters from the Netherlands, Belgium, and Germany.

Exports of wheat totalled nearly 80,900,000 quarters, contributed by Russia 25 per cent.; United States 15 per cent.; Argentine, 14.6 per cent.; Canada 14 per cent.; India 8 per cent.; Australia 7.6 per cent.; and Bulgaria 1.7 per cent.

As a result of war conditions the world has lost for the time being at least 33 million quarters or 40 per cent. of the world's supply. To offset this loss the wheat producers increased their acreage by 21 per cent. and their wheat production by 13.5 per cent. The comparative tables for the five great wheat exporting countries follows:

	Wheat Area		
	Average 1909-1913	Average 1915 1919	Percentage Inc. (+) Dec. (—)
	1,000 Acres		
U.S.A.	47,097	57,873	+23.00
Canada	9.945	16,379	+64.70

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Insurance Company Says Cheque a Receipt

With the announcement of a big insurance company that a cancelled cheque constitutes a receipt for a premium paid and that no other receipt is necessary one plan for evading the new receipt tax is indicated. However, as there has already been a tax paid on the cheque the government does not suffer a total loss. Another arrangement which remains to be tested is the opening of a pass book to receipt interest payments on mortgage loans. Two points are raised here; the first involves the cost to the company and the second whether such entries would be regarded as "receipts" under the act. Generally speaking, however, the disposition in the financial community seems to be to accept this burden as others have been accepted.

PRIVATE DEAL PENDS IN CAN. LOCOMOTIVE?

Though No Official Negotiations for Passing of Control to Baldwin Locomotive

While Samuel M. Vauclain, president of the Baldwin Locomotive Works, the gigantic United States concern manufacturing railway traction equipment, has denied that his company is seeking control of the Canadian Locomotive Company there is still a possibility that a measure of control in the Canadian company may shift to interests closely associated with the American enterprise.

The Canadian directors of the Canadian Locomotive state that there have been no negotiations whatever between the company and other interests tending to a change of control. But it is known that a certain block of stock of unnamed proportions has been taken under option by American interests. The negotiations have been entirely of a private character between individuals and concern private holdings. They have not been carried out by the Canadian company officially.

No transfer has as yet taken place, but the options it is understood, still hold.

COMING PRESIDENTS CHOSEN BY THE C.M.A.

From Our Own Correspondent

ST. ANDREWS-BY-THE-SEA. — Besides choosing as its new president, John R. Shaw, the Canadian Manufacturers will complete plans not only for next year but two years from now. C. Howard Smith, president of Howard Smith Paper Mills, will be chosen first vice-president, and in 1923 will be president. The new second vice-president will be Henry Bertram, president of John Bertram & Sons, of Dundas, Ont., and he in turn will be C. M. A. president in 1924. Thus does the association make its plans for its presiding officer definitely in advance two years ahead. Mr. Bertram is a brother of General Sir Alexander Bertram.

WANT PROVINCE TO BEAR COST NIPIGON POWER

Fort William People Object To Rate Imposed by Beck

PRICE MUCH HIGHER

Civic Officials Say They Were Insured That They Would Get Service Cheaper from Private Company

A demand that power from the Hydro Electric Commission's development at Nipigon be delivered to Fort William at $15 per horse power, instead of the $25 which has been quoted by Sir Adam Beck, featured the Northern sittings of the Gregory commission of inquiry into the Nipigon and Chippawa undertakings. The basis of this demand is that the city could have secured the power required from the Kaministiquia Company for the lower figure and was assured by Sir Adam Beck of "cheaper" service. The difference would, of course, be borne by the province as a whole—by those who do not benefit from Hydro power as well as those who do. And that difference would not be the whole burden on the general taxpayers by any means because even the higher price does not cover the cost of the power but was evidently all that the Hydro people considered they could possibly levy. Of course the Hydro press throughout the province said little about the evidence submitted at the Head of the Lakes. Beck's newspapers are still trying to tell the people that Hydro "will not cost the province a cent."

The history of the undertaking was reviewed at length before the Commission and it was shown that the private company was in a position to supply all the power required at very reasonable rates at the time the public ownership campaign was launched with the usual Hydro tactics. F. R. Morris, city solicitor of Fort William, quoted Hydro representatives as having given assurance that they could develop power to compete with the Kaministiquia company and were prepared to go ahead on that basis. The act governing the agreement between the city and the Commission called for a clear statement of estimates of power costs but no estimates were included in the agreement when it was placed before the electors; Secretary Pope of the Hydro Commission had suggested the exclusion of figures.

The controversy between the Hydro and the Great Lakes Pulp and Paper Company was reviewed and it was pointed out that at a meeting held in Toronto the Hydro had quoted a price of $17.50 per horse power delivered; these terms were incorporated in agreements submitted to the company by Sir Adam Beck.

The point was made by Mr. Morris that the original idea of public ownership at the Head of the Lakes did not involve an expensive development but the purchase of the efficient plant

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L. R. Steel Statement Built On Reported "Appreciations"

Profits Only a Fraction of Preferred Dividends—About $3,000,000 Spent in Selling Stock to Public—Inventory Losses

In its lack of real information for the shareholders the annual report of the L. R. Steel Company, Incorporated, is rather a remarkable document. Added to the fact that there is no detailed statement of profit and loss from the year's operations, is the other fact that the general balance sheet only appears and it is in such a changed form that comparisons with the previous statement are difficult; further is the unsatisfactory fact that no particulars are given regarding the financial standing of the many subsidiary trading companies in which L. R. Steel, Inc., is so largely interested.

It has been frequently emphasized that a weak point in the financing of the company has been the expensive method of selling stock from door to door by trained canvassers. This is revealed in the report by the fact that in the assets there are items being carried totalling close to $3,000,000, representing "organization and financing expenses" and of this "commission, advertising, etc., on sale of capital stock'" amounts to nearly $2,500,000. This must still be made up out of profits. This large sum was evidently spent in selling preferred shares to the amount of $9,823,707.

While no detailed statement of profit and loss is given profits for the year appear in the balance sheet at $202,683. But when dividends paid are put at $198,715 and reduction of inventories at $346,737 there would sem to be ground for skepticism as to the soundness of such items as

Appreciation of real estate	$1,203,572
Appreciation of investments in subsidiaries	1,171,071
	$2,374,644

which help to round out the statement. It is from these "appreciations" rather less from "profits" that the company has provided its surpluses and paid dividends. No information is given to indicate how the subsidiaries have made this money.

The company shows total assets of $12,929,793 of which about $3,000,000 has been spent in commissions, etc.; $2,205,000 has evidently been advanced to the subsidiary companies in addition to $4,575,000 invested in subsidiaries; nearly $1,500,000 represents store fitings and equipment and alterations to leasehold premises while $325,000 is down as "good will." Current assets are only $846,851.

Advises Port Arthur To Sell The Public Utilities

"I have come back to try to get Port Arthur to sell the franchise for her public utilities. Public Ownership is a failure and the sooner Port Arthur breaks away from it the better."

This was the statement made to the Port Arthur News-Chronicle by H. B. Dawson, who is home after a trip of more than three months through Central and Southern States with a considerable portion of his time also spent in Northern Mexico.

"A Losing Proposition"

"When I went away I was a public ownership man and had been, like other Port Arthur people, from the beginning. I am now utterly opposed to it. Private ownership is giving better results. I have examined the situation in such cities as El Paso, Dallas, and Fort Worth, Texas, Des Moines and Cedar Rapids, Iowa, in Kansas City and in Minneapolis.

"Public Ownership has been a losing proposition for Port Arthur right from the start and there is no promise that it will ever be anything else. Under private ownership we would be saved the losses we are now compelled to meet and we would have better service and cheaper service.

"We have been owning and operating our public utilities for thirty years and where are we at? All the results have been negative. The experience of cities under private ownership is entirely different. I am a convert and will from this time on do my best to lead the people of Port Arthur to see the light and recognize the folly of the present policy."

Would anyone buy our utilities, asked the News-Chronicle.

"That remains to be seen," retorted Mr. Dawson. "I think there would be lots of buyers."

"I would sell the phones, the railway, the water and the light. The water system is the only thing I would think of retaining."

Associated Goldfields "Black Eye" to The North

Reckless Lack of Experience Shown in the Handling of Investors' Money in What Has Been Called a Modern "South Sea Bubble"

From Our Own Correspondent

COBALT.—The Associated Gold fields of Larder Lake is again in the limelight. The company comes in for periodical attention when someone happens on a new angle for criticism. In the past the critics have confined their attention to the company, its methods, lack of frankness with the general stockholders, court cases, etc. They have left the property severely alone for the most part.

The latest critic deals with the property phase of the company and if the critics of the company and the methods employed were severe, Alexander Gray, in a fairly detailed outline of the work done on the property goes one better.

Mr. Gray does not leave the Associated Gold Fields a leg to stand on. The conclusion from his article is that the property is without the slightest merit. The Canadian Mining Journal which published his article, says it savors of the time of the South Sea Bubble. The facts as recited seem incredible "yet we know them to be the truth" adds the editor.

To-day the Associated Goldfields stands condemned as a company that the Ontario Mining Industry would be much better without. "Wildcatting" is the term that has been applied to the methods of this concern by many Northern mining men and the facts so far presented seem to indicate that the legitimate was departed from. Mr. Gray's exposure seems to be of a nature that should put the quietus on the stockselling activities of this concern, but it is doubtful if it will for his article would not reach one in 10,000 of the class of people that bought stock in this venture, which by the way is referred to by the Mining Journal as an "illicit mining stock flotation."

The Industry Suffers

Northern Ontario is going to suffer as a result of the ramifications of this company and it just occurs to your correspondent, that Hon. W. E. Raney would be conferring a great benefit to the investing public in Ontario and the investing public of elsewhere who have money invested in Ontario enterprise, if he ordered an investigation into the activities of this concern.

Before giving a brief synopsis of Mr. Gray's attack, a little attention might be given to the methods of the Associated Gold Fields and especially a couple of statements contained in the last financial report to the shareholders presented at Toronto in January last.

Real brains have been operative behind the stock selling activities of this company, with the result that there has always been a bulging treasury. The method employed was unique. For the most part the agents worked down in the U. S., Pennsylvania, Massachuesetts, and New York states receiving the bulk of the attention.

Cities were not favored. The agents carried on a missionary work among the rural dwellers. What they were told, is not known here, but it is known that no effort was made to sell them stock—just then. They were just "interested" and promised a trip to the mine. When the number of "interested" was large enough to fill a car, a special pullman was chartered and a trip to Larder Lake. Here they were shown over the property, but what samples were shown, whether cold facts were employed and the results of channel assays given, or whether glowing stories were told,

(Continued on page 8)

C.M.A. IN PROTEST AGAINST TAXATION SEEK CONFERENCE

Federal, Provincial and Municipal Bodies Are Overlapping

From Our Own Correspondent

ST. ANDREWS-BY-THE-SEA. — A strong protest against the combined burden of existing systems of taxation in Canada was the feature of the opening session of the annual convention of the Canadian Manufacturers' Association here.

During the discussion, the first vice-president, John R. Shaw, who will be chosen president of the association on Friday, declared that "the question of taxation is one this association should pay more attention to than any other this year, and force it to an issue, and clean it up, otherwise many of us will be ruined."

While the special cause of the discussion was the taxation of stock dividends, which was condemned by all who spoke, the general feeling appears to be that industry is called upon to bear too heavy a burden in the overlapping of activities by Federal, Provincial and municipal authorities. The Province of Ontario and the city of Toronto come in for special assault in this respect. The association will endeavor to arrange a conference of all three interests, with possibly the Associated Board of Trade of Canada as the medium of contact, to discuss the situation of the overlapping in income taxation of corporations and business taxes generally.

The point was raised by H. J. Waddie, president of the Canada Drawn Steel Co. of Hamilton, who announced that a few weeks ago shareholders of his company had been surprised to receive demands from Ottawa for the payment of a tax on a stock dividend that had been declared in 1919, whereas the Federal legislation had not been passed until 1920.

"I suggest we refuse to pay and see what will happen. Perhaps in the new chairman who is a lawyer and a fighter we will be able to force this to a settlement." Mr. Waddie added that in the United States the Supreme Court had declared the tax illegal as had the Privy Council in England.

Mr. Shaw at once responded. In Canada manufacturing was carried on annually in a small way, he said, and for years in many cases the chief employers got more than the owners, who had to "live close to the cushion for years to make the business go, until finally the surplus amounts to four or five times the original capital and it is necessary to refinance, when a stock dividend is taxed. It is an outrage to tax men who have been slaving for years to develop an industry."

MANUFACTURERS URGE PROTECTION ON GERMAN GOODS

New Regulations of Government Not Regarded As Effective

GOLF AND FISHING

Are Mixed With Business at St. Andrews-by-the-Sea—Some Strenuous Visitors Go In for Tennis

From Our Own Correspondent

ST. ANDREWS-BY-THE-SEA.—In this New Brunswick summer resort, members of the Canadian Manufacturers' Association are meeting in annual convention, working in the morning at business, and in the afternoons at golf and fishing, and a few at tennis. The air is redolent of a holiday rather than the executive offices of a factory, and the decision to meet here was recognized as a risky experiment, in place of the more business-like environments of the City of St. John. For all that, important work will be done.

The budget so far as it relates to the tariff, and lower freight rates, are the absorbing topics. Of late years the association has ceased to identify itself with high tariff advocates, and indeed it seems probable that the majority of the members are well satisfied with a moderate scale of duties. Little adverse comment is heard on the reductions effected in the late Fielding Budget, except as they may portend more sweeping reductions later on. In the main, however, confidence is felt in the known protective doctrines of the majority of the Quebec Government group at Ottawa and many from Ontario.

Fear German Imports

The special concrete item of the new budget that has aroused a general feeling of alarm, among the manufacturers, is the treatment of importations from a foreign country whose currency is depreciated. Under the tariff clause that was put into effect in 1921, termed the Depreciated Currency Act, it was provided that instead of goods being valued on the basis of the current note currency—one-quarter, one-tenth, or even one-seventieth the normal, the currency should not be considered to be depreciated more than fifty per cent. That is, in the case of German goods, valued in marks, the mark should be considered as worth 11.9 cents (50% of 23.8, the normal), instead of its actual current value of only one-half to one-third of a cent. Thus the duty might amount to many times the invoice cost.

This, it is agreed, effectively stopped nearly all direct German importations into Canada. Instead they came through intermediate countries, but that is another story.

The Fielding tariff of May 23, abolished this Depreciated Currency

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AMERICANS SEE CANADA ACTIVE IN TRADE WAR

Trying to Get British Factories Because of Tariff Wall

EUROPE AGGRESSIVE

Philadelphia Public Ledger Correspondent Sees Possible Disadvantages in High Protection

By Robert Barry
Washington correspondent of the Philadelphia Public Ledger

Early in the present year there began a series of pilgrimages to Europe by Canadian bankers, manufacturers and other commercial leaders to lay the groundwork for a campaign of intensive retaliation against the tariff policy embodied in the Fordney-McCumber bill.

During March and April a small group of Canadians, said to represent large interests in Montreal and Toronto, were in London knitting close industrial ties with British manufacturers. They were the advance guard. Others have followed them across the sea.

Their activities were open and simple of analysis. Nearly every large manufacturing concern in the United States has branches in Canada. Annual sales were said to constitute an item of major importance. Now, in view of the proposed tariff barriers against Canadian products, the business men of the Dominion are organizing to beat down the sale of American goods. They have proposed as their first step the establishment in Canada of branches of English manufacturers turning out products similar to those which Canada now obtains from Americans.

Choice Factory Sites Offered

The Dominion Government and local officials have promised to aid. It is natural to expect higher Canadian duties on American goods. Choice factory sites are being offered by the local officials. The British Government, expressing itself largely through the co-operation of the Board of Trade, was said to have fallen in with the program, and to have offered to lend every possible assistance. The Canadians found a most cordial reception among British manufacturers. Their preliminary survey of production costs was reported to have been satisfactory.

"We have been a good customer to your American manufacturers," one of the Canadians replied in response to an inquiry as to the genesis of the trade war on America. "But we think your Congress is pursuing a most short-sighted and destructive policy. We could not, and, of course, do not, expect the Republican party to espouse the cause of free trade, even though some of us might believe that advisable between your country and ours. That is another matter. Our point is that your Fordney bill goes far beyond protection. It is a Chinese wall proposition pure and simple. You will not permit any one to compete with your industries on anything approaching a fair basis. We marvel that your consuming public does not have something to say about it.

U. S. Business Men Uninterested

"Yet, that is not so surprising as the lack of information which many of your business men have on subjects with which your politicians are dealing. We have tried to talk to them about the proposed duties of the Fordney bill. They have exhibited a most amazing unfamiliarity with what it provides and what its provisions mean to them. When they come to learn about it I hazard the guess they will not be so disinterested."

At the time of that conversation, the Tariff Bill was still in the Senate Committee on Finance. Reductions in many House schedules have been made and are being made, but there appears slight ground for the belief the antagonism engendered in Canada has been allayed. It remains to be seen how far reprisals will be carried against American manufactured products, but there was no mistaking the determined organization of the Canadians encountered in London business districts.

Retaliatory duties by the Canadian Government will not affect those American industries which have established branch factories across the border, but the campaign of branch factories of British concerns is intended to hit those American plants.

Linked with that form of trade warfare against American products is the growing sentiment in European countries to erect effective barriers against them as soon as European manufacturers are excluded from the United States through the operation of the Fordney-McCumber law. Already various countries are engaging in the most vicious form of discrimination against the products of disliked neighbors. The Genoa Conference tried to institute some measure of moderation in those practices.

Europeans contend their only hope for economic habilitation is an exchange of goods. They have not the money of value to pay for purchases in America. Many men at Genoa, a few of them American economists of note, were suggesting all manner of fantastic schemes to encourage selling of European goods in America. One plan went so far as to suggest a lower discount rate to make money easier for European traders. Frank A. Vanderlip discussed it seriously. Yet, every such plan plunges headlong against the theory of the pending tariff bill.

SERIOUS SHORTAGE OF SKILLED LABOR

Few Apprentices Trained During War Period—Manufacturers Should Act Now

Reporting to the annual meeting of the Canadian Manufacturers' Association this week the committee on industrial relations called attention to the fact that reports from many of the larger cities in the United States and Canada showed that already there is a shortage of skilled labor and that there is reason to believe that this condition will become accentuated as business revives. It is pointed out by the committee that during the war years and the boom period immediately following the war, attention was concentrated upon production and no proper steps were taken to arrange for the training of apprentices. The present depression would seem to be the proper time to give careful attention to this question so that when industry revives it may not be handicapped by a shortage of skilled workers.

In reporting the committee reiterated the conviction that, as experience has conclusively shown, no scheme of workmen's compensation or unemployment insurance is sound which is not based on the principle of contributions by the workmen.

HOW THE RAILWAYS IMPROVED POSITION

Did So In the Face of Very Difficult Conditions Experienced Last Year

That railways officials generally have indicated that they consider 1921 as the worst year the Canadian railways have had to face is emphasized by the Transportation Committee of the Canadian Manufacturers' Association in the report presented to the annual meeting this week. Owing to business conditions a considerable decline occurred in the traffic handled, necessitating a most rigid economy in operating costs. Wages were reduced approximately 10 per cent. and staffs were cut where possible. The expense of maintenance of ways, structures and equipment was deferred in every possible way. Under these conditions, however, the actual figures indicate that the Canadian railways managed to come through the year much better than might have been expected. Figures published by the Bureau of Statistics, Transportation Branch, show the following details in regard to operation:

	1921	1920
Revenue .	$449,141,059.16	$483,509,035.60
Expenses .	413,816,234.67	470,562,123.36
Ratio . . .	92.14%	97.34%
Tons mvd.	95,319,587	118,279,158
Tons 1 ml.	26,219,571,240	31,413,219,797
Pay roll .	239,851,718.24	287,843,361.99
Ratio to Revenue .	53.4%	59.5%
Ratio to Expenses .	58.0%	61.2%

HALF YEAR BUILDING SHOWS BIG INCREASE

Volume is Much Greater Than Indicated by Figures In Dollars

The half year's total of Canadian construction will be a comparatively high one. If the month of June measures up to May, the first six months of 1922 will account for a shade over $130,000,000 of fresh contracts awarded, according to the MacLean building reports, compared with less than $112,000,000 a year ago. This increase of 16 per cent. in the monetary value of new building really represents an increase of 45 per cent. in actual volume, the simultaneous drop in costs being taken into account. The $130,000,000 aggregate is well above the record for 1919. In 1920, generally considered a year of phenomenal activity, the monetary value of new work was higher, but the actual volume of it, according to a careful estimate, was smaller, inasmuch as prices were then abnormally swollen.

The favorable developments of the last two or three months are but an earnest of still better results to come. For large scale resumption of operation, such as has occurred in Ontario, was deferred throughout the West as a result of last autumn's agricultural calamities. But the West has usually been quick to "come back." Now that the present season's crop is off to an auspicious start, it is a commonplace that the West will follow Ontario's lead if Nature smiles bountifully on the coming season's harvest.

ELECTRICAL UNITS OFFER FIELD FOR STANDARDIZATION

Such Articles As Uniform Lamp Sockets Should Be Adopted

MUTUAL BENEFIT

Manufacturer Finds It Easier To Produce Fewer Lines, Less Expense For Distribution

By E. W. Rice, Jr.,
President of General Electric Company

The electrical industry is more firmly based upon science perhaps than any other, and electricity could not have become the important branch of scientific endeavor which it is to-day without the early work of those greatest of standardizing committees, the international electrical committees, which between 1893 and 1900, at different places determined and defined our fundamental and practical electrical units, the ohm, volt, ampere, watt, coulomb and others; so that all those engaged in electrical work think and talk the same language. We suffer no such handicap as has existed in other fields such as is imposed, for example, by the different monetary units and the variety of standards of weights and measures, with the resultant waste of time and energy.

In the beginning of our industry, there was of course no need for commercial standards as industry existed. It is interesting, however, that soon after the electric arc light began to be used for commercial purposes the need for a standard current for the series arc circuit was felt. Early in 1881, 9.6 ampere was selected by Prof. Elihu Thomson of the Thomson Houston Company, and this continued as the standard for many years. Edison also adopted about the same time a standard of 110 volts for his incandescent lamp. The National Electric Light Association has adopted standards which in the case of transformers have effected large reductions in the number of listed specialties, odd rates, voltages and sizes. The elimination of such apparently useless variations has been estimated at between 50 per cent. and 60 per cent. of the total listed units. Such action must increase the effectiveness of the engineering and sales personnel and improve the quality and reduce the cost of service rendered by the manufacturing companies to their customers and to the public.

Need For Standard Plugs

Naturally, I am an enthusiastic user of many electrical devices which have been developed in recent years, such as percolators, fan motors, vacuum cleaners and toasters; but as these various devices were introduced into my home I found that each one required a different type of attachment plug. Each different plug represented, I was told, a great advance in the art. Unfortunately, the new plugs did not fit any of the types of wall receptacles already installed in the house. I understand that the Associated Manufacturers of Electrical Supplies have co-operated in the standardization of the attachment plug and wall receptacle now known as the "convenience outlet," and this work of standardization has my profound respect.

I think it is obvious that we of the electrical manufacturing industry and those we serve have not obtained the benefit which should follow the increased volume of our business, for the reason that the variety of sizes and the numbers of different units have increased more rapidly than either the increase in total number of units or the volume of business measured in dollars. The inevitable result has been to increase overhead or the cost not only to manufacture but the distribution of the units of the industry. I believe that if our industry is to continue to grow and to increase its service to the public as it could and should, our costs must be reduced. I am sure that we shall all agree that if the number of separate units could be reduced the total cost of production and distribution would be materially lowered. This would redound to the benefit not only of the manufacturers, large and small, but of all those connected with the distribution of our product and be of real benefit to our real employers, the public.

GOOD ROADS IN B. C.

From Our Own Correspondent

VICTORIA.—A million dollars is being spent in road building in British Columbia this year. Most of the work will be done between now and early autumn. The army of laborers now engaged will be shifted to farms during the heavy harvest season.

British Columbia's program is being duplicated by the three prairie provinces. Modern highways are piercing new agricultural sections as rapidly as these districts are settled by incoming farmers. Under the comprehensive program all the branch highways are linked with main roads, thus making western Canada's highways virtually a unit.

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In Queensland 19
In South Australia 14
In Western Australia 20
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MONTREAL TORONTO HALIFAX

FARMERS FEAR COLLECTORS IF CROP IS GOOD

Think They Should Be Protected From Paying All At Once

BORROWING TROUBLE

Bankers, Loan Companies and Merchants Will Probably Display Some Consideration

From Our Own Correspondent

WINNIPEG.—In anticipation of the approaching crop, and as a solution of the recurring problem of farmer-finance in the West, an agitation is developing for the erection of provincial government machinery to "aid" the agrarians. Particularly in the so-called drought areas and in the districts where a profitable crop is now promising after several seasons of disappointment, demand is arising for a paternalistic structure by which the farmers will be financed through yet another season. No specific demand has arisen from Manitoban agrarians as yet but many Saskatchewan districts are asking at least a semi-moratorium. Alberta has a farmer moratorium which is likely to continue in force until the distressed farmers of the south are entrenched.

Scores of farmers in the Swift Current, Saskatchewan district are looking forward with a good deal of foreboding, according to the Swift Current Herald, to the economic situation which they believe is likely to prevail this autumn should a good crop be harvested. They fear they will be submerged under an avalanche of debt collectors. The average business man is inclined to regard this attitude as borrowing trouble well in advance. The Herald states that most of the farmers in the district have been forced to incur debts of various kinds during the lean years through which they have just passed and that many of them will be unable to square themselvevs with all their creditors out of the proceeds of a single crop.

More Paternalism

Advocating government assistance, one of the suggestions put forward is that the province accept from each farmer a statement of his resources and his grain receipts this autumn and then act as paymaster for him, allocating what funds he can devote to the liquidation of debts to his creditors on a pro rata basis.

"It is recognized," comments the Swift Current paper, "that there are many objectionable features to a general moratorium; but where farmers voluntarily placed their assets at the disposal of government officials all farmer debtors of honest intentions would be greatly relieved of worry and expense and at the same time their creditors would obtain from this season's crop all that could be reasonably expected."

The deplorable credit situation not only about Swift Current but in other Saskatchewan districts, according to the Regina Leader, makes it "patently impossible for them to pay all they owe out of the biggest crop that can be grown on their land in a single year. All that they can hope to do is to clear off as much of their indebtedness as they can and still continue operations. The creditors, who include country merchants, bankers, and machine companies and others, are undoubtedly anxious to collect as large a proportion of their outstandings as possible. They have carried the farmers through the lean years and if this should happen to be a fat year they will probably exert themselves to collect as much as possible of what is owed them. This is only to be expected and is perfectly within the rights of the creditors as long as they keep within bounds of reason—as the generality of them have kept in the past.

Moratorium Opposed

The Saskatchewan government is understood to be opposed to the establishment of a moratorium. Hon. Mr. Dunning told the convention of the Saskatchewan branch of the Retail Merchants' Association last week that he did not want to see legislation passed in Saskatchewan, as in Alberta, compelling creditors to be easy with their debtors. He expressed the conviction that as the result of conferences the province has had from time to time that such legislation will be unnecessary in Saskatchewan.

"There are three kinds of credits," Mr. Dunning reminded the retail merchants, "merchants' credits, wholesalers' credits, and bankers' credits. The trouble with all three classes of credits in the past has been that when credit was not needed badly it was very free but when it became a vital necessity they all got cold feet. Credit has always been either too free or non-existent."

Attitude of Bankers

The financially distressed farmers of the West, who, this year liquidate to the utmost of their ability will receive every consideration from the banking community, according to the opinion expressed by several Winnipeg bankers with whom THE FINANCIAL POST discussed the present problem. "There are perhaps exceptions in both cases," to quote the Regina Leader, "but generally speaking, we see nothing in the attitude of either debtors or creditors that should cause any interruption of the friendly relations between them and precipitate a demand by the farmers that the Government come to their rescue.

"What happens this autumn will depend upon the willingness of the debtor to pay all he can out of the proceeds of his crop and the willingness of one creditor not to press for his pound of flesh when there are other creditors, as insistent as himself who expect to receive their share as well. The situation calls for honorable dealings on both sides and earnest co-operation to tide a large number of people in the province over their present financial difficulties and keep them on the land."

COMMISSIONER OF RELIEF IN ALBERTA

Will Handle Affairs of Farmers in Interests of Themselves and Creditors

From Our Own Correspondent

EDMONTON.—Debtors and creditors in the farming areas of southern Alberta within the scope of the Relief Act passed by the last legislature are now having their accounts adjusted through the medium of the Government's relief commissioner, recently appointed. Edward J. Fream, secretary of the United Grain Growers Company, is the new official, having been released by his company for this season in order to take up the work under the relief scheme.

It is to be the aim of the relief commissioner in administering the act to adjust matters between residents in the drought area and their creditors so as to avoid recourse to legal proceedings. Arrangements will be made for bringing debtors and creditors together, on application from either. Conferences will be held, with the commissioner acting as intermediary, and in this way the rights of both parties will be considered.

Exemptions will be granted by certificate to farmers applying to the commissioner, these reserving to them certain portions of their crops, as may be determined upon investigation, for their own use, the idea being that seed, twine, and labor used in actual crop production and a reasonable allowance for food and clothing shall be free from seizure or sale.

It is also provided under the act that if conditions make it necessary a staying order shall be brought into effect in any given case, after which no action can be taken except by order of a judge. The relief commissioner may then get an order from the judge appointing him receiver for the debtor, and in that capacity he will handle the farmer's crop in the interests both of himself and his creditors.

A COMMISSION TO SETTLE COAL STRIKE

A Suggested Solution As Ordinary Negotiation Has Failed to Bring Results

At the end of two months of fruitless negotiation with representatives of the mine workers, the anthracite operators have proposed that the president be requested to appoint a commission "to ascertain and consider all the facts and determine the questions concerning wages and conditions of employment at issue." It is also proposed that the commission find a practical method by which prompt operation of the mines may be resumed pending its ultimate decision, and also seek a method by which future suspensions and strikes may be avoided.

Whatever one may think of the desirability of governmental intervention in such matters, says the New York Trust Company, in the impasse at which the negotiations with the anthracite miners had arrived there appeared to be no better method of bringing about resumption of operations. Opening the mines at an early date is necessary, for should the suspension long continue it would be utterly impossible to produce the coal that will be required next winter. The ordinary difficulties of arriving at an agreement with respect to anthracite labor are complicated by the fact that the union representing the miners has at stake a pending settlement in bituminous fields as well. Its position there would be weakened by any concessions made with respect to anthracite wages. A commission, therefore, seems to be the best way out of a situation that ordinary negotiation failed to compromise.

LISTING IN NEW YORK

Application has been made to the New York Stock Exchange to list:

Canadian General Electric Co., Ltd., $5,000,000 20-year gold debentures, Series A., due April 1, 1942.

Canadian Pacific Railway $36,000,000 4 per cent. consolidated debenture stock.

"NEWS" DEMAND FOR CONSUMPTION AT RECORD LEVEL

United States Consuming More Now Than In "Peak" Year

DEPEND ON CANADA

By Far Greatest Part of Increase Comes From This Country While U.S. Production is Normal

From Our Own Correspondent

MONTREAL.—The Canadian Pulp & Paper Association has issued a special report dealing with the new high record established in newsprint consumption in the United States for the first four months of the present year. As the United States is Canada's chief customer—takng about 75 per cent. of our total producton, the situation is considered as a most encouraging one. The report reads as follows:

The consumption of newsprint in the United States for the first four months of 1922 has shown a great increase over the figures for past years, being 7 per cent. greater than for the corresponding period of 1920 which was the "peak" year up till that time.

The quantity of newsprint available for consumption depends upon three factors: (1) Production; (2) Imports; (3) Exports. These three factors for the years 1913 to 1921 are as follows:

	Production Tons	Imports Tons	Expts. Tons
1913	1,305,000	219,602	43,276
1914	1,283,000	315,475	61,239
1915	1,239,000	368,409	55,056
1916	1,315,000	468,230	76,443
1917	1,359,012	559,113	97,544
1918	1,260,285	596,270	96,446
1919	1,374,517	627,559	110,624
1920	1,511,968	729,866	46,225
1921	1,226,189	791,978	16,850

U. S. Production

By adding the imports to the production and subtracting the exports we arrive at the quantity available for consumption:

	Available for Consumption	Increase % over previous yr.	Increase % over 1913
1913 . .	1,481,326		
1914 . .	1,537,236	3.8%	3.8%
1915 . .	1,552,353	1.0	4.8
1916 . .	1,706,787	9.9	15.2
1917 . .	1,820,581	6.6	22.9
1918 . .	1,760,109	3.3x	18.8
1919 . .	1,891,452	7.4	27.7
1920 . .	2,195,239	16.0	48.2
1921 . .	2,001,317	8.9x	35.1

xDecrease.

One of the most remarkable facts shown in the above tables is the small variation in the production of newsprint in the United States, a sharp contrast to the steady increase in production in Canada. Production of the U.S. mills in 1921 was less than in any previous year listed and even in 1920, the highest figure was only 16 per rent. greater than in 1913. In the same period Canadian production increased from 350,000 tons to over 800,000 tons; in 1920 it was 883,000 tons or slightly over two and one-half times the 1913 production.

Increased Imports

To offset this lack of growth in production, the imports of newsprint into the United States have shown a steady increase in this period. Imports in 1921 were 265 per cent. greater than in 1913, an average increase of 33 per cent. annually. Since 1913 the United States has depended upon foreign newsprint to the extent shown in the following table:

Year	Imports as % of Consumption	Year	Imports as % of Consumption
1913 . .	14.9%	1918	33.3%
1914 . .	20.5	1919	33.1
1915 . .	23.7	1920	33.2
1916 . .	27.4	1921	39.5
1917 . .	30.7	x1922	42.2

x First 4 months.

Money Orders

PAYABLE at any bank in Canada can be obtained at our branches at the following rates (War Revenue Tax included):

Up to...... $5.00 ...... 5c.
$5.01 to 10.00 ...... 8c.
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MONEY Orders also sold payable in Great Britain and in the United States. 694

THE CANADIAN BANK OF COMMERCE

Capital Paid up $15,000,000
Reserve Fund $15,000,000

THE ROYAL BANK OF CANADA

Head Office MONTREAL

Statement to the Dominion Government (Condensed)
May 31, 1922

LIABILITIES	
Capital Paid Up	$ 20,400,000.00
Reserve Fund	20,400,000.00
Undivided Profits	905,044.98
Dividend No. 139, payable June 1, 1922	612,000.00
Notes in Circulation	26,980,817.14
Deposits	391,220,129.46
Due to other Banks	10,407,383.92
Bills Payable (Acceptances by London Branch)	1,752,863.37
Acceptances under Letters of Credit	6,958,650.29
	$479,636,889.16
ASSETS.	
Cash on Hand and in Banks	$100,256,589.83
Deposit in the Central Gold Reserves	9,500,000.00
Government and Municipal Securities	27,530,425.56
Railway and other Bonds, Debentures and Stocks	13,799,320.87
Call Loans in Canada	18,215,704.48
Call Loans elsewhere than in Canada	33,085,382.23
	$202,387,422.97
Loans and Discounts	256,982,673.39
Liabilities of Customers under Letters of Credit as per contra	6,958,650.29
Bank Premises	11,101,745.57
Real Estate other than Bank Premises	966,047.99
Mortgages on Real Estate sold by the Bank	255,348.95
Deposit with Dominion Government for Security of Note Circulation	985,000.00
	$479,636,889.16

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NATIONAL RAILS MUST BE KEPT FREE OF POLITICS

Results for 1921 Justify Policy of the Directors

DEFICIT REDUCED

With Little Additional Gross the Operating Loss Was Reduced by Over Thirty Million Dollars

Although gross earnings on the Canadian Northern, Canadian Government and the Grand Trunk Pacific Lines showed little increase in 1921 over the preceding year, it is pointed out by officials of the Canadian National Railways that this was effected in a period when railway business generally was declining an attention is called to the fact that at the same time operating expenses were reduced to such an extent that the operating deficit for the year was reduced to about $31,000,000. Following is a summary of the figures:

	1921	1920	1919
Gross Earnings—			
C.N.R.	$69,088,474	$66,695,398	$53,562,177
C.G.R.	40,964,303	44,537,803	40,179,380
G.T.P.	16,638,677	14,408,549	11,294,617
Total	126,691,455	125,641,752	105,036,176
Operating Expenses—			
C.N.R.	$75,564,385	$82,953,978	$60,034,023
C.G.R.	46,551,602	54,987,680	47,728,205
G.T.P.	20,668,369	24,543,063	17,587,567
Total	142,784,357	162,484,722	125,349,797
Operating Deficit—			
C.N.R.	$6,475,911	$16,258,579	$6,471,846
C.G.R.	5,587,298	10,449,876	7,548,824
G.T.P.	4,029,691	10,134,513	6,292,949
Total	16,092,901	36,842,970	20,313,620

There is nothing satisfactory in itself about an operating deficit of over $16,000,000 as the result of the year's business on the government's railways but at least the showing was much better than in the year previous and the policy of the directors in spending money on betterments to maintain the efficiency of the system would seem to have been fully justified.

The directors believe that they can work out the future of Canada's railway problem if they are allowed to function in a business-like way and without political interference. On the showing for 1921 there would seem to be justification for this claim. The only hope for a satisfactory solution seems to lie in the direction of efficient, non-political administration and a return of national prosperity. Referring to the year's results the report of President D. B. Hanna, on behalf of the directors says:

> The increase in gross earnings in 1921 over 1920 of $1,049,703.41 is remarkable for the reason that in reporting an increase in gross the National Railway System stands alone as the only railway on the continent of anything like transcontinental character that had greater revenue in 1921 than in the preceding year. While all lines had the benefit of increases in freight and passenger rates, yet in nearly every instance additional earnings from this source were more than offset by the drop in the volume of traffic handled.
>
> The directors consider that the improvement in the relative position of the National Railway System as a carrier of Canadian business, which the above and other figures indicate, is largely due to the improved condition of the Railway's property as a whole, and to the better services which this condition has permitted, as well as better acceptance by the public generally of the definite place which the National System has secured in the economic life of the country.

It is only fair to point out that many of the lines taken over by the board required heavy expenditures in the way of betterments to bring them to a state of efficiency. In connection with this phase of the situation, President Hanna says:

> The programme of improvements has included work of all kinds. Heavier rail has been provided for trunk lines; ballasting on an extensive scale has been undertaken on lines not previously up to the standard; terminals have been enlarged; yards have been improved and extended, siding have been lengthened, sections of double track have been provided. New buildings of all kinds have been erected to meet traffic requirements and to provide accommodation for employees. Extensive improvements have been undertaken to provide an adequate supply of water for locomotives. Shops have been equipped and much labor saving machinery has been installed. Many temporary structures have been replaced with permanent work. Some line revisions have been undertaken to obtain better gradients and improved river crossings, etc. Telegraph communication has been improved and some additional telephone train dispatching circuits have been installed. It may be said in general that the work undertaken as the above will indicate has affected all branches of operation, and all parts of the System.

MEXICO RAILWAY

Serious Situation as Result of Strike In Mexico City

A despatch from Mexico says that the striking street car men, after a stormy meeting, decided to withdraw their offer of concessions and announced that they would not only continue their strike but would invite other unions to join in their movement, among them the electricians and railroad men. The street car men are out in full force, and their strike has been in effect for a week.

It is understood that F. W. Teele, manager of the Tramway Company, is maintaining his stand in accordance with strict instructions from the company's home office in Toronto.

The British, French, Italian and United States Chambers of Commerce have adopted resolutions favoring the stand taken by the Mexico City Tramway Company and "disapproving the unreasonable attitude assumed by the workmen and the unjust demands made by them."

WORKING OF THE RECEIPT TAX IS YET UNCERTAIN

Merchants Are Still Looking to Ottawa for Explanations

A more lucid explanation of the working of the new receipt tax regulation is still required before various financial and business institutions can adjust themselves to its operation.

From the standpoint of the retail merchants the new tax promises to not only be a burden but a considerable handicap in doing business. Officials of the Retail Merchants' Association while declaring that they are very much in the dark as to this new tax, look upon it as an added burden to the merchant, and it will be up to every retailer to see to it that the upkeep of the same is accounted for in his cost of doing business. They describe the tax as impracticable, expressing the opinion that this tax on receipts is going to involve a lot of unnecessary intricate detail for the retail trade. It will involve additional overhead expense for the merchant. While a large number of sales made over the counter are under ten dollars, and consequently exempt, the additional tax on receipts over that amount is viewed as unfair for the reason that the merchant has already paid 4½ per cent. in sales tax, and in the case of imports 6 per cent. "If the proposed new tax on receipts is to be paid by the retailer, and there is nothing to convey the contrary," remarked one merchant, "It will lead to the partial abolition of sales receipts. Dealers will incline to discontinue the issuing of receipts with the exception of special instances."

"Tax regulations that add clerical work and involve uncertain methods of collection," remarked another merchant, "are very unsatisfactory. If revenue is the chief objective, I think this would have been achieved through a more simple ruling on the sales tax with a range of three per cent. to the wholesaler and six per cent. to the retailer, or two and one-half and five per cent., instead of the fractional percentages now prevailing. A receipt tax might have the effect of introducing the custom of asking for receipts where, in a great many instances, no such practice is in vogue at the present time."

An Added Expense

D. W. Clark, grocer, Avenue Road, Toronto, and president of the Ontario Retail Grocers' section of the Retail Merchants' Association, looked upon the proposed tax as a nuisance. While its real application in the matter of receipts for sales was still rather vague, he thought that it would mean an extra expense to the average retailer, that would have to be figured in the cost of doing business. "With my customers, business is largely on a credit basis," he said. "Accounts are paid weekly, fortnightly, and some monthly. Invariably they are for amounts over ten dollars and receipts are always given when payment is made. Somebody will have to pay this tax, and the only way I can see to do it, is to figure it into the cost of doing business."

Not Clear in Regard to Counter Sales

According to advices given the Ottawa representatives of Canadian Grocer by officials in the Inland Revenue Department, the application of the tax to counter sales is a question which will likely go unanswered for the time being. Canadian Grocer put this up to a high official of the Department, who replied: "That is a question we cannot answer at present. It will probably be a few days before we can give you a definite answer. There are a number of points to be worked out in connection with this tax, and there is no immediate rush as it does not go into effect until next January."

Precisely the same answer was given to the assistant secretary of the Dominion Board Retail Merchants' Association of Canada, who was asked by a number of leading retail merchants to get an accurate and definite ruling, if possible.

"How are the stamps to be cancelled?" was Canadian Grocer's next query.

"We don't know yet," was the answer.

"Can you say if the old machines are likely to be called back into play?"

"I don't think that is likely to happen, but there is not much use in your asking any more questions, because nothing whatever has been decided upon in that connection. The announcement has only been made in the House and we have practically six months to work out these problems."

SHARP DECLINE IN THE PROFITS OF MAPLE LEAF

Price of Stock Slumped With the Annual Meeting

EXPORT TRADE HIT

Disorganized State of European Markets Reflected in the Company's Earnings for the Year

A seven point decline in the market for Maple Leaf stock reflected investment sentiment with regard to the annual report of the company presented to the shareholders on Wednesday. The statement showed a decided slump in earnings, bringing net profits to the lowest level since 1914, and below the level requisite to the complete discharge of dividend obligations. The result is that the company is required to draw on surplus to the extent of approximately $200,000 to make up common dividends in full.

As pointed out by President James Stewart in his address, the company suffered from the trade depression in which practically all lines of business have been involved during the past year. Furthermore, the disorganized state of the markets of Central Europe was a considerable handicap to this company, which does a large export trade. Inventories show a very substantial increase over the previous year, and this is explained by the fact that the company always stocks up heavily in grain in the fall before the close of navigation in order to have sufficient wheat on hand to carry it through until the spring. This year, on account of the unsatisfactory European conditions, the company was not able to dispose of its holdings to the same extent as in the past, with the result that it enters the new fiscal year with large supplies on hand.

The profit and loss statement shows profits of $543,145, compared with $917,158. With the balance forward of $2,060,094, there is available for dividends the sum of $2,604,094. After the customary obligations have been discharged, comprising interest to banks, $264,883; preferred dividends, $205,100, and common dividends, $300,000, there is a balance of $1,834,111.

	1922	1921
Profit..	$ 543,146	$ 917,158
Balance forward ...	2,060,949	1,853,676
Total	$2,604,094	$2,770,834
Interest to banks ..	264,883	204,785
Preferred dividends.	205,100	205,100
Common dividends..	300,000	300,000
Balance	$1,834,111	$2,060,949

The balance sheet shows an increase in current assets from $7,369,959 to $10,903,859. Cash on hand at $58,325 compares with $42,874. Accounts receivable show a substantial advance from $1,234,626 to $2,267,668. A notable growth in inventory is recorded from $1,842,283 to $3,977,963. Investments are practically unchanged, while miscellaneous stores at $147,637 compare with $40,960.

Bank advances have increased by more than $2,000,000, and now stand at $4,634,480, compared with $2,512,323. Accounts payable have likewise increased from $1,375,094 to $2,916,151. Reserves are slightly higher at $2,010,073, as compared with $1,831,550.

At this meeting directors were elected as follows: James Stewart, Winnipeg; J. S. Barker, Toronto; R. Cooper, Welland; W. Steed, Port Colborne; A. R. Macdonald, Winnipeg; D. Lorne Cameron, Vancouver; and W. H. McCarthy, Toronto; elected by preferred shareholders: C. W. Band, New York and W. Leroy Shaw, Toronto. Mr. McCarthy is a new member of the board, and succeeds D. A. Campbell, who resigned several months ago.

MANUFACTURERS FOR COUNCILS IN WORKS

From Our Own Correspondent

ST. ANDREWS-BY-THE-SEA. — Cordial support of the proposal to develop "works councils" was accorded the report of the Industrial Relations Committee by the Canadian Manufacturers' Association, and arrangements will be made to develop these through the division branches. S. J. Williams, the former head of Williams, Greene & Rome of Kitchener, who retired from active business a couple of years ago has volunteered his services to the association to organize works councils such as was done so successfully in his own plant, and his offer was cordially accepted by the convention.

A tribute to the work of Mr. Williams was paid by F. W. Stewart, head of Cluett, Peabody & Co., of Montreal, who purchased the "W. G. & R." interests.

Strong support was given to the proposal by Mr. Simms, of Simms Bros, brush manufacturers of St. John, N. B., who spoke against the "inertia" of employers and urged them to capitalize sentiment in favor of the idea of works councils in the next decade.

BIG REALTY PURCHASE

London Life Secures Splendid Residential Site for Half Million Office Building

From Our Own Correspondent

LONDON, ONT.—The London Life Insurance Company has just concluded an important real estate deal by which it takes over 334 feet in the very choicest residential district on Dufferin Avenue, facing Victoria Park. It includes the large homes of the late Sir George Gibbons, the McDonagh estate and the home of the late J. W. Little. Mr. Reid, manager of the London Life, stated that the company will erect a thoroughly modern four storey office building, to cost approximately $500,000. Operations he said will be commenced at the corner now occupied by the Gibbons home and extended westward as occasion requires. One of the large homes will be remodelled and fitted up as a club house for the staff.

The negotiations for the purchase of the property, were carried out by the London and Western Trusts Co.

MANUFACTURERS URGE PROTECTION ON GERMAN GOODS

(Continued from page 1)

Act of 1921, thus opening wide the gates for dumping all kinds of German merchandise into Canada under the advantage of their depreciated currency. On June 12 the Minister of Finance provided a safeguard under which Customs officers are required to charge duty on a basis of valuation—not of a mark at 1/3 of a cent—but the value of corresponding lines of English goods.

Danger in 500 "Ports"

This, in theory at least, appeared to be a safeguard against the dumping of German goods—such as cutlery, enamelware, etc.—but the manufacturers foresee a very practical difficulty in the figuring out of this valuation. Who is to do it? At probably not more than half a dozen centres—such as Montreal, Toronto, Winnipeg, for three—are there specialists as appraisers, who like department buyers in large retail stores, are capable of setting a value as on the "English" basis? How can they? They have not had a sufficently wide or intimate training. The actual result, it is feared, will be that the local Customs officer in most cases will accept the valuation assigned by the local importer, which may be in effect a "dumping" price. The uncertainty in Canada due to a lack of thorough training in local Customs officials will be appreciated when it is realized that there are more than 500 different "ports of entry," far more than are located in the whole of the United States.

Take A Few Samples, Then Make Rule

The suggestion is made here by a Customs expert that the Department should take a few main lines in the different industries, as in cotton, woollen and steel goods, and work out corresponding English valuations accurately, and figure how much the invoiced German price (at the current value of the mark) is below this English value, and hence, how much the German valuation must be advanced to approximate the English price. This advance, say, 50%, 75%, 150% or whatever it turns out to be on the average, could be applied to all German goods in the same class. Instructions to this effect should be issued to the 500 Customs officers in Canada, and in conforming to this plan the dangers of the destruction of the domestic market for Canadians through a virtual "dumping" of German and other foreign goods through the depreciated currency would be averted. In the absence of some such safeguard manufacturers view the new regulation with a considerable degree of apprehension, for hundreds of them are involved personally.

Regret Abolition "Marking" Act

The abolition of the regulation that made it compulsory to mark on all goods coming into Canada, the name of the country of origin, is regretted. It is quite true that while the regulation was law under the Drayton Budget, it was not enforced, and that at present it "may" be enforced by the Governor-in-Council, that is an order of the Cabinet. Manufacturers who discussed this with THE FINANCIAL POST, point out that in the United States a similar "marking" law is enforced rigidly. Recently large quantities of cards and tins were rejected at the border and sent back to Canada because the stamp "made in Canada" had been omitted.

Through Intermediate Countries

It is known, too, that the greater portion of German goods that do come into this country arrive through intermediate agencies, Dutch, French, English, American, Scandinavian, etc. The marking would automatically bring German goods under the new "English valuation" provision whereas it usually comes in under a much lower invoice valuation as English goods, Dutch, American, or other country of origin. However in coming to Canada from another country, German goods would pay the special export tax of 26 per cent. to the German Government, and if going to England, the special "Reparations" tax running in some cases as high as 50 per cent., besides the margin of profit added on each handling, so that the danger of a "dumping" or under-selling price in reaching Canada would be lessened materially.

Combination "Protective" Party?

While a moderate tariff view promises to permeate the convention, and a preference is felt for a general policy that may win over the "Progressives" as a party to recognize the advantages of "protection" for Canadian industry, keen interest is taken in the stand taken by Senator David of Montreal, on the impossibility of political conditions continuing as they are at Ottawa. It is considered as deeply significant that the first plank in his platform declares for the principle of protection.

UNLISTED SECURITIES

	Bid	Asked
Abitibi Gen. M. 6s 1940..	87½	90
Algoma Steel 5s 1962.....	....	55¾
Alta. Pac. Grain com	103	112
Do pref.	85	90
Amer. Salesbook 6s	99	....
Ashdown Hard. 5s 1928..	86	....
British Amer. Assur.	3	4⅝
Burns, P., 1st M. 6s 1924..	100½	....
Can. Marconi Wireless ..	2⅜	2⅝
Can. Oil com.	50	53
Do pref. 8 p.c.	89	92
Can. Westing. 8 p.c.	111	....
Cockshutt Plow 7 p.c. pfd	48	49
Colling. Ship. com.	45	....
Do 6s	96½	....
Cuban Can. Sugar pref. ..	23	....
Davies, Wm. 6s	99¾	....
D. Iron & Steel 5s 1939..	76	77
Durant Motors	9½	10½
Dunlop Tire pref.	....	83
Eastern Car 6s	89	92
English Electric com.	22	23
Famous Players pref. 50% bonus com.	50	51½
Great West Life	202	....
Gunns Ltd. pref.	....	60
Harris Abattoir 6s	96	....
Home Bank	....	100
H. Smith Paper 7s 1941 ..	93	95
Imperial Oil	121	123
Inter. Milling pref.	82	85
Do 6s	92½	....
Inter. Petroleum	23	24¼
King Edward Hotel 7s ...	84	86
K. & S. Tire bonds	....	80
L. Superior Paper 6s	95	....
Lambton Golf	390	420
Man. Life 20% paid	39	....
Massey Harris	51	....
Mattagami Pulp debs. ...	34¾	....
Murray-Kay pref.	55	60
Mex. North. Dev. com. ..	6	7¾
Mt. Royal 8% debs., with 30% bonus	....	97½
Mutual Oil	11	11¾
National Life	45	....
Neilson, Wm., 6s	91	....
N. S. Steel 6 p.c. debs...	79	83
Ontario Pulp 6s	95	....
Robt. Simpson pref.	86½	....
Rosedale Golf	235	....
Spanish River 8s 1941 ...	100	102
Sterling Bank	103	106½
Sterling Coal com.	19½	21
Toronto Power 5s 1924 ..	94	96
Trust & Guarantee	72	....
Western Assurance	4	5½
Western Grocers pref. ...	57	59¾
Western Power 5s	77	....
Whalen Pulp com.	7	9
Do pref.	27	29
Do 7% debs.	60	....

The Power of The Future

With coal high in price and never likely to be low again, the ability to deliver Water Power at a fair price and in adequate supply, places before our Water Power Companies their greatest opportunity—an opportunity they have been quick to seize, as is proved by the continuous growth in net earnings of most of them.

The inevitable result of this favorable condition will be a notable advance in the prices of Water Power Securities.

Let us submit you further facts upon which we base our recommendation for investment in Water Power Securities.

NESBITT, THOMSON
and Company Limited
TORONTO
Hamilton London, Ont.
Montreal

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THE BELL TELEPHONE CO OF CANADA
LOCAL
LONG DISTANCE TELEPHONE

"There Goes the Last Train!"

Long Distance to the Rescue

"What shall we do, George? There goes the last train, and the children will be alone all night. We simply can't have that; Betty is such a nervous child, and Bobby's always hunting for matches to make Indian bonfires with. It's dreadful."

"Well, Mary, you can't get home to-night. That's all there is to it."

"But we must do something. They may set the house on fire."

"Listen! Here's the drug-store. We'll call up Annie by Long Distance and ask her to go over and stay with the children."

"Oh, what a relief!"

Simple isn't it? Long Distance is the friend in need, always at hand, always ready to put you in touch with family, friends and business.

Every Bell Telephone is a Long Distance Station

THE DOMINION BANK

Notice is hereby given that a Dividend of Three Per Cent. upon the paid-up Capital Stock of this Institution has been declared for the quarter ending 30th June, 1922, being at the rate of twelve per cent. per annum, and that the same will be payable at the Head Office of the Bank and its Branches on and after Monday, the third day of July, 1922, to shareholders of record of the 20th June, 1922.

By Order of the Board,

C. A. BOGERT,
General Manager.

Toronto, 19th May, 1922.

UPWARD MOVE IS CONTINUED AFTER REACTION

Due to Technical Situation Not to Changed Outlook

MONEY VERY EASY

Some Indications Now in Evidence That Stocks Are Moving Into Hands of General Public

With the Canadian security markets generally heavy and trading within narrow price ranges — a not unusual condition at this season—interest apart from a few specialities including some of the tractions and oils, has largely centred in New York. The break in Wall Street early last week was evidently the culmination of the reaction and was followed by short covering which led to a recovery. A secondary decline, however, set in which was aided by the weakness in the exchange markets—regarded as a reflection of complications respecting German reparations. This movement did not go far before strength developed and the shorts were put to cover with an advance which resulted in some new highs in the oils and industrials.

These developments in Wall Street have been of a professional and technical character. They have been little influenced by general conditions and have been obviously the market reaction after a period of over-speculation. The Canadian markets have been litle affected and it would seem that speculation had not been carried so far in this country. Generally speaking the opinion of students of the American market is that the reaction was to be expected and should restore a more healthy balance to the market than has existed for some time. Money is still very easy although the time for higher rates is undoubtedly coming closer. There was been some indication that the public is getting into the market very extensively but it is not believed that, with business conditions continuing to improve, the extent of the upward movement has yet ben reached although other reactions such as that recently experienced are to be looked for.

Preferreds in Demand

Speaking of the demand for preferred industrials, Greenshields & Co. say:

Seasoned preferred stocks are gradually following the advance in the price of bonds. Opportunities are still open to secure an approximate 7½ per cent. income from investments of this class with a record of continuous dividends since their issue. Ogilvie Milling preferred sold recently at a price to yield less than 6 per cent. As the adjustment in interest returns continues, the following should be in demand before long at prices to yield less than 7 per cent.:

	Div.	Price About	Yield About	Aver. Earn.
Canada Cement .	7	94	7.45	13.7
Dominion Glass.	7	95	7.37	15.6
Dominion Steel. .	6	76	7.90	63.5
Sherwin-Williams	7	94	7.45	17.9

"Average earnings" are based on annual statements for periods of 8 to 10 years, and represent the clear surplus earned for the preferred shares.

Referring to the general position of prices, Hayden, Stone & Co., Boston say:

In determining the value of stocks to-day, we think it a mistake to pay too much attention to the low figures at which they have sold in the past. The prices of last year were the result of distress—of forced liquidation. They bear no relation in most instances to intrinsic value or normal earning power. Because a stock has risen 50, or even 100 per cent. over the low figures it does not, necessarily follow that it is inflated, or even not well worth buying. The cheapness of any stock to-day must be judged, not so much by what it has sold for in the past, as by what it is earning, or may reasonably be expected to earn, for a considerable period in the future.

Sauerbeck's index number of British commodity prices gained .7 points to 135.5 in May. Textiles, foodstuffs and sundries advanced, while meat, sugar and minerals declined.

The next issue of

Gibson's Fortnightly Mining Review

which will be ready for mailing on Thursday, will contain interesting information concerning

Clifton Porcupine
Dome Mines
Kirkland Lake
Lakeshore
McIntyre
Schumacher
Teck-Hughes
Porcupine V.N.T.
Wright-Hargreaves

If your name is not already on our mailing list, write for your free copy to-day.

Homer L. Gibson
AND COMPANY
Bank of Hamilton Bldg.
Toronto

STERLING COAL'S YEAR

Inventories Written Down and Profits Reduced

While the operation of the mines of the Sterling Coal Company during the year resulted in a loss owing to prevailing conditions and inventory adjustment, the Conger Lehigh Coal Co., Ltd., was in a position to declare a dividend which, with the returns from other investments, enabled the company to show a small profit for the year after usual provisions for depreciation and depletion. This profit, after deducting operating expenses, cost of managment, bond interest and reserves for replacement, depreciation and depletion amounted to $6,788, which with the balance brought forward April 1, 1921, of $193,784, makes a total balance carried forward to next year of $200,572. Net income for the year ending March 31, 1921, was $92,562 which compares with a deficit in the previous year of $32,327.

WESTERN LUMBER

In April the Canadian Western Lumber Company, which includes the Columbia River Lumber Company, sold 7,899,848 feet of lumber realizing $177,540 as compared with 9,550,330 feet sold during the same month in 1921 for which $283,076 was realized. The aggregate sales for the four months ending with April amounted to 31,485,336 feet and the price realized $715,615, while for the same period last year the sales at 25,661,251 feet realized $781,601.

RAILROAD EARNINGS

Gross earnings of the Canadian Pacific Railway for the week ending June 14 amounting to $3,034,000, showed a decrease of $173,000 or 5.4 per cent. as compared with the figures for the corresponding period in 1921.

The Canadian National reports earnings for the second week of June amounting to $1,883,417, a decrease of $88,728 or 4.5 From January 1, to June 14, the earnings totalled $46,810,561, a decrease of $6,843,005

HOLLINGER'S NEW ACQUISITION EXPECTED MOVE

Purchase of Schumacher Caused No Surprise In the North

Special Correspondence.

COBALT.—The purchase of the Schumacher Gold Mine by the Hollinger Consolidated Gold Mines as announced this week, has occasioned no surprise in mining circles as it has been long expected that the big producer would ultimately acquire this property, or at least make a strong bid for it. The consummation of this long-talked of deal will, however, quicken interest in the big camps.

The purchase price of $1,650,000 is rather a surprise, meaning a return to the shareholders of the Schumacher of 90 cents a share, a very excellent price.

The Hollinger has paid down one-tenth of the purchase price and will have six weeks to examine the property before the next payment of $300,000 is due. Four three-month installments of $296,259 will complete the payments if the deal is carried through.

However, it is generally conceded that the Hollinger knew pretty well what it was doing when it entered negotiations to purchase the property and the examination will be more of a nature to substantiate previously acquired knowledge. It is believed that the deal would have been concluded long ago only the Schumacher interests held out for $1 a share.

Schumacher's holdings total 160 acres, and are surrounded on two sides by the Hollinger, West and South, for about one-third its depth on the East. McIntyre holdings make up the rest of the boundary, the famous Pearl Lake on the McIntyre property being directly north of the property. Schumacher townsite is located on the northern extremity of the property as is the T. and N. O. station.

Schumacher History

The authorized capital of Schumacher is $2,000,000 with shares of $1 par and President F. W. Schumacher holds 1,300,000 of the 1,850,000 shares issued.

From 1915 to 1918 the Schumacher produced $561,885.00 in gold and 4,194 ounces of silver from 112,124 tons of ore milled. This however, is said not to be representative of the property as this ore all came from above the 600 level and the geological knowledge has indicated much better chances at depth in unexplored horizons and not unconnected with the retreat of the porphyry eastward.

The deal will give the Hollinger 560 acres and is bound to attract wide interest and centre attention on the Porcupine. Porcupine Crown and V. N. T. are the only remaining properties that have been worked in this adjoining area that have not fallen under the spell of either the McIntyre or Hollinger. Both of these are properties of merit.

The V. N. T. right now is the centre of attention. It has just resumed operations after years of idleness but its treasury is pretty well depleted. However, with the balance of its funds it is going ahead and developing at depth. There are excellent chances for it. In the meantime plans are being made to raise funds to put the mill in shape. The V. N. T. has produced gold valued at $808,204, mostly from the 600 level upward and like the Schumacher its best chances are said to be downward. In fact it is generally believed that Porcupine Crown and Hollinger viens dip into this property at depth. The distance between the Schumacher and the V. N. T. is a matter of feet, being separated by a narrow strip of Hollinger holdings.

WESTERN NATURAL GAS

The Canadian Natural Gas, Light, Heat and Power Company reports earnings for the month of April amounting to $93,134 as compared with $70,547 for the same month last year, an increase of $22,587. The aggregate earnings for the seven months ending with April amounting to $708.480 compared with $606,318 for the same period in 1921, an increase of $102,162.

STOCK MOVEMENTS OF THE WEEK

Week Ending June 20

Banks—	Div. Rate	Ask	Bid	High	Low	Close	Sales
Commerce	12	186	184	185	185	185	38
Dominion	12	..	187	190¼	190	190¼	61
Hamilton	12	..	166	167	166	167	42
Hochelaga	10	149	148	151¼	148	148	89
Imperial	12+1	..	172	172	171	172	99
Montreal	12	217½	215	218	217	217	70
Nationale	6	..	103	102	100	102	81
Nova Scotia	16	..	256	260	256	256	59
Royal	12	199	198	199	198	198½	27
Standard	14	202	200	202	200	202	15
Toronto	12	178	177	177	177	177	14
Union	10	136	135	136	135	135	98
Industrials, Utilities, Etc.—							
Abitibi Pulp & Paper com.	..	51½	50½	51¾	50½	50⅞	1019
Do pref.	7	..	91	92	92	92	25
Ames-Holden pref.	..	7	5⅛	7	6¾	6¾	115
American Salesbook com.	..	16½	16	16½	16	16	20
Asbestos Corporation com.	6	..	55	56½	56½	56½	50
Do pref.	7	..	75½	76	75½	75½	80
Atlantic Sugar com.	..	26	25¼	25¾	24½	25½	600
Barcelona Traction	..	6¾	6½	6¾	6½	6½	415
Bell Telephone	8	110¼	110⅛	114¼	110	110⅛	915
Brazilian Traction com.	..	47½	47¼	49	47	47½	9205
B. C. Fishing	..	..	27	28	27	27¼	162
British Empire Steel com.	..	14	12¾	13	11	13	1165
Do first pref.	7	76	..	76	74	76	43
Do second pref.	..	34	33½	35¼	29¾	34	2935
Brompton Pulp, com	..	32	31	31⅛	30¼	31	610
Burt, F. N. com.	10	116	113	112½	112½	112½	25
Canada Bread com	..	33	32	33	32	32⅛	300
Canada Car & Foundry com.	..	26½	..	26½	26½	26½	1
Do pref.	..	..	53½	53½	53½	53½	5
Canada Cement com.	6	69½	69	69½	67	69	2616
Do pref.	7	..	93	95¼	94	95	157
Canada Steamships com	..	20	19	21¼	18½	19	275
Do pref.	..	50½	50	51¼	50	50¼	940
Canadian Converters	7	82½	81	83	81½	82	122
Canadian Cottons pref.	6	85	..	85	85	85	31
Canadian General Electric	8	79	78½	85	78¼	79	363
Do pref.	7	..	101	101	101	101	25
Canadian Locomotive com.	8	80	76½	76	76	76	25
Do pref.	7	..	88⅛	88	86	86	70
Canadian Pacific Railway	10	139	138	139	137	138¼	253
Canadina Woollens pref.	7	80	76	76¾	76	76	15
City Dairy com.	10	125	120	125	125	125	73
Consumers Gas	10	..	148	152	148	149	62
Detroit United Railway	..	64½	64	64	62	64	427
Dominion Bridge	4	75	73½	74	73½	73½	15
Dominion Canners com.	..	..	34	34½	34	34	165
Do pref.	7	..	78	80	79¾	80	59
Dominion Glass com.	6	..	65½	68	65½	65½	174
Dominion Textile com.	12	163	160	163½	160	160	139
Do pref.	7	111½	..	112	112	112	35
Dominion Iron pref.	7	75	..	75	69¾	74½	50
Dominion Steel Corporation com.	..	35	32	37¾	37½	37¾	330
Do pref.	6	..	74	75	73½	75	99
Duluth Superior	..	23	21	22	22	22	325
Goodyear Tire pref.	..	86	84	85	83½	83½	38
Howard Smith Paper com.	6	..	66	65½	63½	65	100
Do pref.	8	91	..	92	91	91	7
Illinois Traction com.	..	34	33¾	33¾	33¾	33¾	50
Do pref.	6	..	78	78½	78½	78½	15
Lake of Woods Milling com.	12	167	..	169	167⅞	168	25
Laurentide Paper	6	87¼	86½	87¼	86½	87¼	629
Lyall Construction	..	47	46	49	46	47	975
Macdonald A., com.	..	..	13	14	13⅞	13⅞	100
Mackay com.	6	98	96½	98¾	97½	98	717
Do pref.	4	..	66	67	66⅜	66⅜	17
Maple Leaf Milling com.	12	120	115	120	118	118	155
Do pref.	7	99¾	99	100	99½	99½	97
Monarch Knitting pref.	7	..	80	80	80	80	5
Montreal Cottons com.	6	..	83	84	83¼	84	203
Do pref.	7	104	..	107	107	107	50
Montreal Light, Heat com.	5	92¼	92⅛	92½	91	91½	1990
Montreal Telegraph	8	49¾	—	49¾	49¾	49¾	5
Montreal Trams	10	164¼	—	163	160	160	11
National Breweries com.	4	53	52½	54½	52	52½	1467
Do pref.	7	90	—	90	90	90	110
Ogilvie Flour com.	12	250	—	250	250	250	35
Ontario Steel Products com.	..	40	—	40	39¾	39¾	80
Ottawa L. H. & Power	6	87	86	86½	86	86	130
Pacific Burt com.	2	—	54	55	54	54	64
Penmans com.	8	112	—	111	110⅝	111	160
Porto Rico Railways com.	..	27	26	27	26	26	83
Price Brothers	2	40⅛	40	41	40	40	670
Provincial Paper com.	6	82	80	82	80	80	100
Do pref.	7	87	—	87	87	87	5
Quebec Railway	..	27	26	26¾	25¾	26¾	1135
Riordon Pulp com.	..	—	10½	13	10	10	910
Rogers, William, pref.	7	—	83	85	85	85	10
Russell Motor com.	..	40	—	50	50	50	50
Do pref.	7	—	50	50	50	50	5
Shawinigan	7	106¾	106¼	106	105	106	354
Sherwin Williams com	6	—	70	70	70	70	10
Do pref.	7	—	90	94	94	94	5
Spanish River Pulp com.	7	87	85	86	84½	86	505
Do pref.	7	7	92	94	92	92½	433
Steel of Canada com.	7	—	72½	73	71	73	1052
Do pref.	7	—	98½	99	99	99	20
St. Lawrence Flour com.	6	82½	80	83	80	80	175
Toronto Railway	..	74½	74	74¾	70	74	1695
Tuckett Tobacco com.	4	47	45	46	45	45	30
Do pref.	7	90	—	88¾	88	88¾	52
Twin City com.	..	52½	52	56	52	52	889
Wabasso Cotton	4	78	77	81	79	80	820
Wayagamack Pulp	..	49½	48½	50	49	49	90
Western Canada Flour	8	—	120	120	120	120	5
Winnipeg Electric com	..	40	39	39½	39	39	280
Do pref.	7	84	—	85	84	84	36
Woods Mfg. pref.	7	—	—	84	83½	84	24
Canada Landed	10	—	78	79	79	79	50
Can. Permanent	12	—	179	181½	178½	180	19
Col. Investment	6	7	—	7	7	7	99
Real Estate Loan	7	—	92	92½	92½	92½	6
Tor. Gen. Trusts	12	207	203	210	210	210	14

INTERNATIONAL NICKEL

Latest reports regarding the business of the International Nickel Company are that domestic demand is showing a considerable increase this year, while foreign business, while not increasing at the same ratio, is considered good. The Canadian refinery was put in operation on May 1, and the new West Virginia plant will be ready for operation in a few weeks. This new plant cost International Nickel about $3,400,000, and will be able to make much better production than the Bayonne plant.

DIVIDEND PAYMENTS

Company	Date	Rate	Record
C. P. R.	June 30	2½	June 1
D. Textile com.	July 3	3	June 15
Do pref	July 15	1¾	June 30
Trinidad Elec.	July 10	1	July 1
Ham. Provident.	July 2	5	June 15
Penn. W. & Pr.	July 1	1¾	June 16
Landed Bk & L.	July 3	4+½	June 15
Bk. of N. S.	July 3	4	June 15
Can. Landed	July 3	2½	June 15
Tucketts com.	July 15	1	June 30
Do pref.	July 15	1¾	June 30
London Loan	June 30	1¾	June 15
Mackay com.	July 1	1½	June 7
Do pref.	July 1	1	June 7
D. Glass com.	July 1	1½	June 15
Do pref.	July 1	1¾	June 15
Molsons Bank	July 3	3	June 15
Can. Permanent	July 3	3	June 15
C. Westinghouse	July 1	2	June 20
Gould Mfg com.	July 1	1½	June 30
N. Breweries com	July 1	1	June 15
Do pref.	July 1	1¾	June 15
National Trust	July 3	3	June 19
Tor. Gen. Trusts	July 2	3	June 16
Wabasso	July 3	1	June 15
Porto Rico Ry pfd	July 2	1¾	June 15
C. G. Electric com	July 1	1½	June 15
D. Power pref.	July 15	3½	June 30
Tor. Mortgage	July 5	2½	June 15
C. Loco. com.	July 1	2	June 20
Do pref.	July 1	1¾	June 20
Twin City com.	July 1	2	June 15
Do pref.	July 1	1¾	June 15
Ottawa Trac.	July 3	1	June 15
Ottawa Car.	July 3	1	June 15
Shawinigan	July 10	1¾	June 23
D. Canners pfd.	July 3	1¾	Jûne 17
Nipissing	July 20	3	June 30
D. Iron pfd	July 1	1¾	June 17
Shredded Wh com	July 1	2	June 20
Do pref.	July 1	1½	June 20
Burt, F. N. com.	July 3	2½	June 15
Do pref.	July 3	1¾	June 15
Rogers, W. pref.	July 3	1¾	June 15
Wright Har Mines	July 1	2½	June 17
Mtl. City & Dist.	July 3	2½	June 15
Abitibi Paper pfd	July 3	1¾	June 20
Real Estate Loan.	July 3	3½	June 30
Mont. Telegraph	July 15	2	June 30
Fairb'ks-Morse pf.	July 15	3	June 30
West Ind. Elec.	July 3	1¼	June 23
Can. Cottons com.	July 4	2	June 23
Do pref.	July 4	1½	June 23
Woods Mfg. pfd.	July 1	1¾	June 28
Cedar Rapids	Aug. 15	¾	July 31
Mtl. L.,H.&P. C'ns.	Aug. 15	1¼	July 31
Mtl. L.,H. & P.	Aug. 15	2	July 31
Can. Salt	July 3	2	June 21
Ogilvie com.	July 3	3	June 23
Can. Cement com.	July 15	1½	June 30
Can. Bread pfd.	July 3	1¾	June 15
Winnipeg El. pfd.	July 1	1¾	June 23
B. Amer. Oil.	July 3	50c	June 28
Do (warrants)	July 3	50c	June 28
Hillcrest com.	July 15	1½	June 30
Do pref.	July 15	1¾	June 30
Price Bros.	July 2	½	June 22
Intercol. Coal com	July 2	4	June 24
Do pref.	July 2	3½	June 24
Ont. Loan & Deb.	July 2	2½	June 15
Brand.-Hend. pref.	July 1	1¾	June 21
Eastern Trust	July 3	2½	June 19
Bell Telephone	July 15	2	June 30
Dome Mines	July 20	50c	June 30
Col. Invest.	July 2	3	June 14
Kerr Lake Mines	July 15	12½c	July 1
Ottawa L. H.	July 1	1½	June 22
Can. Converters	Aug. 15	1¾	July 31

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"Joy Shots" That Lead to Hell

By JUDGE EMILY F. MURPHY (*Janey Canuck*)

THIS IS the first of two articles in which Judge Murphy describes the menace that exists in Canada to-day in regard to the illegal traffic in narcotics. It gives actual facts from many Canadian cities and shows how the hypodermic needle is an even greater evil to combat than the opium pipe. The second of these articles will likely be in the July 15th issue.

Is Bootlegging a Passing Phase?

How common is bootlegging in Canada today? How do the members of the bootlegging profession carry on their business and what is their relationship to the officers of the law? These are two of the questions which are answered by A. Innes MacKenzie in a very colorful article describing the adventures, the fortunes and humorous rencontres of Canadian bootleggers from the Atlantic to the Pacific. Mr. MacKenzie writes whereof he knows, as he has spent several months studying this question and even associating with many of the bootleggers themselves, in the interests of the readers of MACLEAN'S MAGAZINE.

Other Features in the

JUNE 15th MACLEAN'S

What Will Radio Do to Us? *by J. L. Rutledge.*

A Ruthenian Wedding *by Clara Ward.*

What Shall I Do With My B.A.? *by G. E. S. Pringle.*

Barnstorming on the Chautauqua *by Agnes C. Laut.*

Babs and the Manager *by Leslie Gordon Barnard.*

The Valley of Bleached Bones *by Madge MacBeth.*

The Golden Fleece *A long "short" story by Bertrand W. Sinclair.*

Ovington's Bank *An intensely interesting serial by Stanley J. Weyman.*

Is the Canadian Flapper a Menace?

This is a question raised by Mrs. Gertrude S. Pringle in a startling article dealing with conditions as they too frequently exist in some Canadian centres. Extraordinary conditions are described by Mrs. Pringle, who is a thorough and conservative investigator. It is only too true, evidence regretfully shows, that some Canadian flappers are very much akin to their American sister who "parks her corsets and indulges in petting parties."

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Notice is hereby given that a Dividend of THREE PER CENT for the current quarter, being at the rate of

TWELVE PER CENT. PER ANNUM

on the paid-up Capital Stock of the Corporation, has been declared, and that the same will be payable

MONDAY, THE THIRD DAY OF JULY

next, to Shareholders of record at the close of business on the Fifteenth day of June.

By order of the Board.
GEORGE H. SMITH,
Assistant General Manager.

Toronto, May 25th., 1922.

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WHEAT BOARD IS LIKE THE WATCH BABY CRIED FOR

Farmers Won't Be Happy Until They Get It, But—

NO BENEFITS IN SIGHT

Government Not Inclined to Risk Any Money—Cost of Marketing Machinery May Be Increased

From Our Own Correspondent.

REGINA.—With bated breath, certain large sections of the community in this prairie country are awaiting the passages of formal legislation at Ottawa, implementing the recusitation of the Wheat Board.

Announcement that the federal powers were willing to make this concession to the West has not been received with the unbounded glee which might have been expected, when the amount of time, propaganda and rhetoric expended in connection therewith, is considered. Those active campaigners for the return of the Wheat Board, who used the issue as a lever to pry themselves into federal parliament or provincial legislature, are now in somewhat the same position as the infant who has cried for an hour or so in order to gain posession of his father's watch, and, once the timepiece is secured, begins to lose interest in it. The Dominion Government, which in this case is the parent, hardly thinks it will be good for the watch but holds the child's happiness and well-being before all.

To carry the illustration a bit further, one must note the precautions taken by the parent for the safety of the watch. He has a chain—rather a string—tied to it tigthly, ensuring the timepiece from undue act of vandalism which may cause pecuniary loss to himself.

This string, the depart from metaphor, consists of the clause in the resolution authorizing the board, which disclaims any responsibility—on the part of the government—for deficits incurred by the board or for contracts or agreements entered into by that body.

No Hope for Subsidies

Thus is dispersed any hope which partisans of the measure may have held for large federal subsidies or other financial assistance which might increase returns—even temporarily—to the farmer and thereby justify, in a measure, their arguments concerning the virtues of marketing under a system such as this.

Now federal endorsation has been secured, the only further step to be taken is concurrence by the government of two or more of the prairie provinces. Premier Geenfield, Alberta, has already given assurance that province will concur and though Premier Dunning, Saskatchewan, has been, up to the present, as silent as the grave upon the matter, there appears to be little doubt but that Saskatchewan, too, will pass the necessary concurrent legislation when the time arrives. In order to handle the present year's crop, this legislation will be needed soon, if at all, and of course special legislative sessions will be necessary.

Even if final action in the matter, including appointment and authorization of the board, is secured before July 15—and this appears extremely doubtful—the board will have to do some tall hustling to make the necessary financial, crop-handling and selling arrangements, in time for the threshing season.

Greater Expense

The position of things will be that all the existing marketing machinery will be utilized and in addition, the not inconsiderable cost involved in the operation of the board, will have to be borne. Co-operative organizations which have previously been doing business for their members on practically a cost basis, will of a certainty under the Wheat Board plan, demand a fair return for their services. The cost of handling there, will of a certainty, be increased. In regard to finance, it is not reasonable to predict that the Wheat Board will be able to secure money on a cheaper basis than do corporations now in business, whose financial arrangements have been constructed step by step, over a long term of years. The provincial governments will lend the money, it is argued, but those governments must first tax the people to get the money to lend the wheat board to finance the farmer—there you are.

Just now Government obligations are getting rather close to the danger mark. What guarantee has the ordinary citizen that now the farmer's financial arrangements have been provided, some other class will not enter the field and demand public cash to support the selling plans of another section of the producing populace?

A "Russian" Experiment

The Wheat Board may appeal to the farmer—though one suspects that after its second trial many of its present advocates will be extremely conjuring up alibis—to the average citizen, however, it only represents another venture into the field of public ownership which this time seems to border on communism.

Under the Wheat Board a man must sell his grain when, where and how the board decrees.

In Russia the requisitioning of grain for national purposes is the extreme step of the ladder of which a scheme such as this represents the lowest rung.

One examines the possible power of the Wheat Board to secure a better return to the farmer. Can the members of such a board do it? It appears on the face of things unlikely. Their knowledge is unlikely to be any better than hundreds of good operatives on the grain exchanges who frequently "guess wrong" and suffer in consequence. In the case of the Wheat Board, handling vast tonnages of grain, a "wrong guess" of even a point or two means the loss of several hundred millions of dollars.

The requirements of the world wheat market, of which Canada only supplies a comparatively small percentage, removes the possibility that "controlled" wheat marketing, amounting to a monoply in the Dominion, can exercise any influence on external markets. This means then, that the board's only power lies within the Dominion.

One sees a vista of higher wheat prices and higher flour prices for Canadian consumers, for in this direction only, can increased returns be forced.

CANADA'S EXTENSIVE IRON ORE RESOURCES

Outlook for the Development of an Important Industry in This Country

The Lake Superior Iron Mines of the United States have produced 1,028,683,115 tons of ore. During the last twelve years, their total production amounted to 564,137,298 tons. The total amount of iron ore proven up but still unmoved in the said region amounts to about 2,000,000,000 tons. It is estimated that in the next fifteen or twenty years these apparently inexhaustible reserves will have been manufactured into pig iron and steel, with a value of about $25,000,000,000.

In an article on the development of Ontario's iron ore resources in The Northern Miner the importance of iron as a factor in national development is emphasized. A population of 6,000,000 is found in the American Lake cities which "may be considered as creations due to the utilizations of this important metal."

The discovery of high-grade ore is not keeping up with the volume of shipments and the writer suggests that in this fact lies an opportunity for Ontario:

> "The extensive iron ore deposits of central Canada should supply the requirements of central and western Canada forthwith, and eventually export a very large tonnage to the United States."

The writer optimistically describes various Canadian mines: the Helen Iron Mine which has already produced over 2,479,000 tons of excellent hematite ore; the Josephine Iron Mine with an estimated tonnage of 2,250,000 tons of hematite ore; also he believes that there is iron in the Loon Lake Iron Range, the Kaministiquia and Mattawin Ranges, and the Nipigon Iron Range which extends along the government railway for about 70 miles. The articles concludes with the prophecy that our iron and steel may yet become the most important industry in Canada. He concludes:

> "In 1921 the value of coal, iron ore and iron and steel products imported into Canada exceeded $356,000,000; which was about 80 per cent of the value of the whole grain crop produced in the whole of Western Canada. During the last five years, the imports of iron and steel products into Canada aggregated $932,920,271, of which $896,372,209 came from the United States.
>
> "With slight assistance from either the Ontario or Dominion Governments, our iron mines can be developed extensively and our iron and steel industry become the most important industry in Canada."

PIG IRON PRODUCTION

May Figures at Lowest Level In Several Years

The production of pig iron during May declined to the lowest level which has been reached in several years. The tonnage was 23,363, representing a decrease of 9,209 tons from the April production. The record for the corresponding month last year was 56,091 tons. About 73% of the May production was foundry and malleable iron, intended for direct sale, while the remaining 27% chiefly basic iron was made for the use of the producing companies.

An interesting development was the increase in the output of ferro-alloys. The tonnage of 3,397 was the greatest since January, 1921, when 3,941 tons were reported. The output was augmented by the 2,499 tons of spiegeleisen manufactured for further use. The remainder, comprising 181 tons made in blast furnaces and 717 tons principally 75% and 80% ferro-silicon manufactured in electric furnaces, was intended for direct sale.

Partnership

Ever consider what would happen to your business if your partner died? If you are fortunate you can buy his share from the estate, but if unfortunate by reason of lack of funds, the business is wound up and you begin all over again.

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THINKS ONTARIO NEEDS PUBLICITY IN OLD LONDON

Little Done to Advertise Natural Resources of Province

MINES NEED CAPITAL

Well Known Mining Engineer Believes That More Aggressive Methods Would Bring Good Results

Mining men acknowledge the dependability they place on the British financial market as the ultimate money fountain that will make possible the profitable development of Ontario's mineral deposits. At the same time every one connected with the industry deplores the lack of facilities that are provided for Ontario's London office. Ontario is to-day the only country in the world where the gold production is on the increase and is second only to the Rand in total output as a gold producer, yet our whole business of publicity in London is compassed in one small office with a fourteen foot front. Expressing himself largely as above, Frank Loring, the well known mining engineer, calls upon the government to recognize the conditions and grant and give to Ontario mines such facilities as will show their great possibilities and assist in proving to English investors that Canada deserves the best of the old country's brains and capital.

Mr. Loring, having recently returned from London, where he has interested a strong syndicate in Ontario's gold fields, states that though the growth is slow he notices a definite new interest in our mining areas and feels that if proper publicity were given the province would greatly benefit. The work of W. C. Noxon of the Ontario office is particularly commendable but his efforts cannot do justice to the conditions.

Mr. Loring points out that the Ontario gold areas differ somewhat from other mining fields in that the deposits are persistent in depth and area and are extensive. In the Rockies and other places, minerals are found in spots and districts, while in Northern Ontario there are hundreds of square miles that because of their consistent geological conditions may well contain valuable and profitable minerals. Unlike other mining fields, too, values are usually found near the surface. Therefore comparatively less work is required in order to get at the paying ore bodies. This also works to the advantage of the prospector in that he can spend most of his time in trenching the surface so as to remove the accumulations of earth and other debris, and thus expose a greater and wider vein series for less money. Extensive surface trenching would therefore appear to be the ideal method of early development of a property.

Extending the Zone

Every day fresh material is being supplied by geologists to indicate that the mineral bearing intrusions are enormous and extend in wide belts across the country. The zone of enrichment in the Kirkland Lake district is being extended wider every day and may prove to extend from Matachawan to Beaver House Lake, while the formation at Hollinger in Porcupine may also extend to Lake Abitibi and Quebec.

These facts or theories are very enencouraging to Canadians but when considering them it appears all the more regrettable that adequate recognition is not given in the British Isles.More than anything else, Ontario requires work and money to bring her mineral deposits to the stage where they can be made profitable. The government freely enough admits the great extent of these deposits and their possible wealth, and yet seems to hesitate in stating these facts boldly in the greatest money market of the world.

In the meantime private interests are doing all that is possible. A "movie" film of the underground workings in the Hollinger mine has attracted considerable attention while the Kirkland Lake Proprietary and the Davidson Porcupine has met with success. Increased gold production within the British Empire is a necessity so closely allied with the Empire's national debts that any neglect of Ontario's potential wealth in this metal should not be tolerated.—A. R. C.

EAST KOOTENAY POWER

The East Kootenay Power Company have closed a contract with the Consolidated Mining & Smelting Company to supply power to the famous Sullivan Mines at Kimberly, and also for the concentrator about to be installed at this mine. This contract calls for 3,000 h. p. immediate delivery, and all the requirements of the company up to 8,000 h.p. for a period of ten years.

DOME MINES

Dome Mines Co., Ltd., with the payment of the 50 cents quarterly dividend on July 20, will have paid $3,349,168 to stockholders since its initial dividend of 50 cents, in September, 1915. Stock, of which $4,290,003 is outstanding, is now on what amounts to a $3 annual basis. J. S. Bache, President, has emphasized that it would be the policy of the directors to continue the annual repayment of $1 a share, begun last March, when the par value of the shares was decreased from $10 to $9.

AUTOMOBILE FINANCE

Operations of Continental Guaranty On a Big Scale

The Continental Guaranty Corporation which commenced business in the City of Toledo under the name of Guaranty Securities Corporation in 1915, and is now operating extensively in Canada, has since inception financed 233,737 vehicles valued approximately at $235,425,000. The paper discounted in connection with these transactions reached a total of $165,157,277. The Canadian portion of this business has covered the financing of 51,351 motor vehicles and the discount of $32,499,041 paper. These figures were taken at the 31st of March of this year. The company finances commercial paper particularly such paper as arises from the wholesale and retail trade of motor vehicles.

The company's statement for the year ending December 31st showed total resources of $10,906,889 of which $2,282,108 was in cash assets and $7,105,473 in notes and acceptances.

LOW GRADE ORE FOR HOLLINGER

Deal With Schumacher Will Permit More Extensive Operations Near Surface

The recent sale of the Shumaqher mine to the Hollinger interests has occasioned some speculation as to the probable geological reasons that moved the directors of Canada's greatest mine to acquire this additional acreage. Having in view the fact that the Cobalt mines are looking for fresh fields to prolong their lives, it might be at first supposed that the extent of Hollinger underground workings were reaching the limits of the companies property. This possibility is, however, not probable in as much as the persistence of ore bodies are definitely proved to great depths, and actual ore in sight has been blocked out in sufficient volume to keep the mill running for some years yet and to practically assure an ultimate production of nearly $90,000,000 from this property.

Some curiosity has however been expressed as to the possibility of the Hollinger engineers having decided that pending the enlargement of their mill, mining at the higher levels of Schumacher would be more profitable than continuing much further in the low levels of the parent property, and this notwithstanding the high purchase paid for the latter.

It must be remembered that Hollinger milling capacity is planned for an enlargement of 6,000 tons per day, a production that would undoubtedly reduce the present low cost of milling still lower. Deep mining is expensive as has been proved by the results at the Rand, and it is just possible that Hollinger directors have shown the part of wisdom for the immediate present as well as for the longer life of the property, in securing at this stage a fresh body of ore of proved mineral content at comparatively shallow levels.—A. R. C.

HIGHER EARNINGS OF WEST INDIA ELECTRIC

Company's Business Showed Steady Increase Despite Depression

Covering the year ended December 31, 1921, the financial statement of the West India Electric Company, Limited, presented to the shareholders at the annual meeting held here yesterday shows improvement in net income in comparison with the figures of the previous year.

The gross receipts amounted to $536,866 derived from the following sources:—Transportation, $352,065; electric light, 125,731; power, $33,001; miscellaneous, $26,068; this was an increase in gross receipts over the previous year of $46,686. Operating expenses amounted to $376,255, an increase of $21,895, resulting in net earnings of $160,611, from this amount was deducted the fixed charges, namely bond interest 30,000 and the amount paid to the Jamaica Light and Power Company, Limited as rental, $20,000 and $14,167 paid to the Jamaica Government which is 4 per cent. on railway receipts, this leaves the sum of $96,443 as net income, and this amount as usual was placed to the credit of surplus account as well as $10,690 interest on investments. Four quarterly dividends of 1¼ per cent. each were paid to the shareholders during the year, this amounting to $40,000 which was charged to surplus account leaving a balance of $747,372 at the credit of that account.

President Hutchison says that it is pleasing to note from the figures submitted that the business of the company has shown a steady increase in spite of the depression existing during the year in some of the industries of the island more especially in the production of sugar.

At the annual meeting of the Pacific Burt Co., A. E. Amos was elected vice-president in Toronto, and H. T. Scott re-elected as president. S. J. Moore was returned as president, and other directors as follows: James Ryrie, F. N. Burt. E. G. Baker, C. W. Colby, S. J. Moore, Jr., Horace P. Bowen.

MONTREAL POWER DIVIDEND INCREASE EXPECTED IN FALL

No Disappointment That Declaration Was Unchanged

NEW SERVICE CHARGE

Proposed For Gas Which With Reduced Rate Would Make A More Equitable Charge

From Our Own Correspondent.

MONTREAL.— The action of the board of directors of Montreal Light Heat & Power Consolidated in declaring the regular quarterly dividend of 1¼ per cent. was quite in line with general expectations. While an increase in the dividend is expected and already has been forecast by Sir Herbert Holt, president of the company, it was not thought that the increase would be decided upon until the autumn declaration.

The increase, it is expected, will place the stock upon a 6 per cent. basis as compared with the current 5 per cent. per annum.

It is usual that a dividend increase be preceded by a request for lower gas rates, and this application already has been made, so that decks are apparently being cleared for the expected dividend action.

The dividend just declared by the board at the 1¼ per cent. rate is payable August 15 to share holders of record July 31. The declaration was made somewhat earlier than actually due, largely for the reason that it was considered advisable to make the declaration come from a full representation of the directorate, a thing that can not always be counted upon, a little later on in the summer.

The regular quarterly dividends on Montreal Light, Heat & Power Company of 2 per cent., and Cedar Rapids Manufacturing & Power Company of ¾ of 1 per cent. were also declared payable and of record on the same dates.

In an interview, J. S. Norris, vice-president and general manager of the company said that if the Quebec Public Service Commission grants the lower rates, the loss of revenue for the company will be about $300,000 per annum. But the company is abolishing the present meter charge of 10 cents a month and are planning a service charge of 50 cents a month. Said Mr. Norris: "With the reduction of 10 per cent. in the cost of gas very few people will pay any increased charge and those who do will be consumers of very little gas."

These latter are described as unprofitable customers. Service costs per consumer, amounts to 63 cents a month, made up of metre readers, collectors, accounting and office expenses and in the past ordinary consumers have been bearing the major portion of this charge:

Mr. Norris continued:

"Now we are abolishing the meter charge, as has been done in many other cities, and substituting the service charge, so as to make more equitable the cost of service. Toronto established a service charge of 50 cents a month last December, but in the United States there is nothing less than a dollar a month charged for service.

"If there were not so many unprofitable customers the cost of gas would be cheaper, but it costs just as much for service for the customer using 1,500 cubic feet a month as it does for the C.P.R. using hundreds of thousands of cubic feet.

"In 90 per cent. of the accounts the new rates will mean a substantial reduction in the price of gas. The average consumption of gas per month in Montreal households is 3,000 feet at least, and with the ten per cent discount given for prompt payment there will be quite a reduction. The new scale is a graduated one. The price for gas will be a dollar a thousand for the first ten thousand feet, 95 cents for the next 90,000 feet and 90 cents for any in excess of 100,000 feet, with ten cents a thousand off for prompt payment in each case. At present the charge is $1.20 for everything less ten cents for prompt payment.

"The new rate will therefore be an encouragement to the public to use more gas, and for industrial concerns the new method of charging will mean a very considerable saving. For a person using 1,500 feet of gas a month the price charged will be the same as now—that is, $1.85, taking into account the 15 cents discount for prompt payment, this including the service charge.

"For the man using only a thousand feet of gas a month he will have to pay $1.40 instead of $1.20, but he must bear his proportion of the service cost, and thus relieve the ordinary customers from bearing part of his burden. We want to encourage the use of gas and make everybody carry his own load, and the schedule proposed is the same as exists in other cities."

CANADIAN CEREAL

It is announced by H. T. Jamleson, C. A., authorized trustee and receiver of the bankrupt Canadian Cereal and Flour Mills Company, Limited, that out of the proceeds of the liquidation he is arranging to pay to the Montreal Trust Company a sum sufficient to discharge all arrears of bond interest, including the amount accrued up to 1st July next, covering a period of sixteen months since the last interest payment, and also 30 per cent. on account of principal, making a total distribution of approximately 38 per cent. Mr. Jamieson also announces that further payments on account of principal and interest will be made from time to time as the liquidation of properties proceeds. He hopes to be able to discharge the bonded indebtedness in full.

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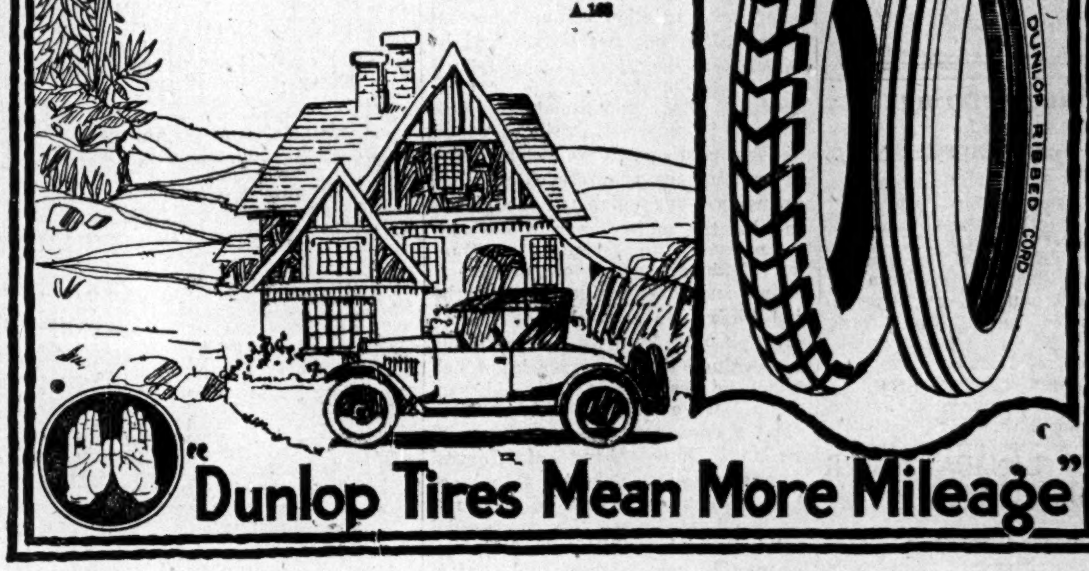

"Dunlop Tires Mean More Mileage"

MR. EDISON'S KNOWLEDGE OF FINANCE

New York Times

It depends upon what meaning one gives the word "financier" as to whether or not one agrees with President Thos. B. McAdams of the American Bankers' Association in what he said about Thos. Edison. He said "Mr. Edison is a good electrician, but a very poor financier."

There is many and many an inventor to whom Mr. Edison's financial ability is a subject of envy and wonder. Unlike the majority of them, he has contended successfully, all his life, with the capitalists who so often claim and get the lion's share of the profits made out of inventions. He has organized and controlled his own companies, exploited his own ideas with great success; and though he has dreamed dreams like other inventors, he has done his dreaming at proper times and places and been a match for all the men who call themselves "practical."

But of course, Mr. McAdams was talking about Mr. Edison in relation to finances of another sort, and had in mind his childlike faith in the value of the printing press as a substitute for the mint. In that domain, to find poorer financiers than Mr. Edison one must go to Russia—or to Dearborn, Mich.

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Woods Manufacturing Co., Limited

PREFERRED STOCK DIVIDEND NOTICE.

The regular quarterly dividend of one and three-quarters per cent. (1¾%) on the Preferred Stock of WOODS MANUFACTURING COMPANY, LIMITED, for the quarter ending June 30th, 1922, has been declared payable July 1st, 1922, to shareholders of record, June 28th, 1922.

By order of the Board.
JOHN. T. F. KEENE,
Secretary-Treasurer.
Montreal, June 20th, 1922.

SOUTHERN CANADA POWER CO., LIMITED

Dividend Notice

A dividend of one and one-half per cent. (1½%) on the Preferred Stock of Southern Canada Power Company, Limited, has been declared for the quarter ending June 30th, 1922, payable July 15th, 1922, to shareholders of record June 30th, 1922.

By order of the Board.
L. C. HASKELL,
Secretary-Treasurer.
Montreal, June 20th, 1922.

MONEY, BANKING AND EXCHANGES

ENGLAND LEADS IN CONTRACTING PAPER CURRENCY

Paper of France and Italy Also Relatively Stabilized

Discussing the present position of paper currencies and the impounded gold reserves of the European countries, the Guaranty Survey, issued by the Guaranty Trust Company of New York, finds wide differences in the fiscal situation in the various countries. The paper currencies have practically ceased to expand in some countries, in others inflation is going on at a more rapid pace than ever before, while in a few countries material contraction has already taken place.

Large and small countries alike are represented in each of these classes. The most prominent among those which are contracting their paper money circulation are the former neutrals and Great Britain. France and Italy may be classed with these or among the countries, like Czecho-Slovakia, the volume of whose currency appears to be relatively stabilized, but France and Italy continue the expansion of their short-term debts. Currency inflation, however, is still proceeding at a rapid pace in Germany, Austria, Hungary, Poland, and several other Eastern European States.

Europe Situation

Looked at from the standpoint of gold reserves, the European situation appears somewhat improved although the gold is not in free circulation and is held also as a reserve against deposits in the note issuing banks.

The question which is uppermost in the minds of observers is that of the ultimate stabilization of the value of these currencies in terms of gold. This must be accomplished at some ratio, not necessarily the pre-war parity, if the world is ever again to be able to carry on international or domestic trade without the hazard of widely fluctuating exchanges. This, however, cannot be brought about until the governments which are increasing their fiat currencies through their banks of issue either balance their budgets by increased taxation and reduced expenditures, or finance their deficits by some sound means.

Perhaps it is too much to hope that either of these methods will be applied at once by governments which are too weak to raise the needed funds by taxation or direct borrowing. Such a program rests upon the ability and willingness of a people to bear burdens which are now being shunted off until to-morrow, though they are thereby increased. This observation of course, does not apply to all the European governments, for some are clearly pursuing the proper course. Time, however, is required to produce results by this means, for taxes cannot be suddenly increased nor government expenditures decreased on a large scale without upsetting whatever internal balance may be in existence at the moment.

Commercial Adjustment

In fact, it may be questioned whether immediate stabilization is really necessary or desirable until a more nearly permanent commercial equilibrium is achieved. The exchange values of certain of the European currencies, including sterling, have advanced so far in recent months that they are now within measurable distance of their former parities, and this improvement has been attained without apparently intensifying the depression through which Europe has been passing.

Indeed, the firmness with which relief by inflation from present economic ills has been renounced by some governments is a fine tribute to the wisdom and courage of their peoples. But, unfortunately, such fortitude is not the attribute of all the European countries. The more we examine the progress of currency expansion, unavoidable though it may be, the more apparent becomes the necessity for eventual revaluation of certain paper currencies.

Time and considerable effort of the kind known as self-help are needed before it will be wise or profitable to re-value those currencies which cannot be restored to their old parities. Governments which have been under such severe financial strain as have those of Central Europe cannot be expected to balance their budgets in a year or two; nor can we hope to see the commercial and industrial equilibrium of Europe restored by one international conference. Yet, these things must be done and, in fact, are being done slowly; and when they are accomplished we may perhaps discover that the currency problem has very nearly solved itself.

Time, during which minor improvements are effected, is still favoring the gradual stabilization of currencies, nevertheless, and this is of more value than many conferences. Time alone will permit the readjustment of taxation and expenditures and the building up of gold reserves which are absolutely essential, though both are difficult of attainment.

RETAIL MERCHANTS GAME FOR FORGER

Take Spurious Paper in Their Desire to Make Sale of Goods

The cheque forging artist has made his appearance again and this time Fairbank has been favored. He is not like some pikers restricted to one name but evidently varies the names to suit circumstances. The three reported are: Fairbank G. W. V. A., $52.87, drawn on Fairbank branch of Dominion Bank, this purports to have been endorsed by Sgt. Williamson; Fairbank Block & Supplp Co., $52.87, drawn on Oakwood branch Canadian Bank of Commerce payable to James W. Wilson; P. Penpraise, $40.60, drawn on Fairbank branch Dominion Bank and payable to R. S. Thomas. It is also said that some half dozen similar cheques have either been passed in that locality or an attempt at passing has been made. The victims are all small storekeepers who could not resist the temptation to make a sale even at the risk of taking a cheque from a party quite unknown to them.

The artist, however, did not find all so easy as with several of the cheques passed he tried a number of places before he found a victim.

SHARP MOVEMENTS IN POUND PRICES

Sharp Decline and Partial Recovery Featured Exchange Market of the Week

A sharp decline in sterling and a partial recovery were noted during the week. Opinion in New York as to the cause of the fall was that the lowering of the Bank of England rate brought some London money into the American market, with a consequent increase in offerings of sterling, which, coming as it did after a lengthy bull market, turned the reaction into a sharp break.

In some quarters it is thought that with the completion of the British government's purchases of dollars for interest payment to this country, an unofficial control was taken off of sterling's fluctuations which assisted in bringing about the selling. The ordinary increase in Britain's imports which comes at this time of year has also brought an increase in demand for dollars and other currencies.

The movement in some respects resembled the 17-cent decline which occurred in the fortnight after the $4.44⅝ rate was reached, March 1. If, on the other hand, sales of exchange are now being made to provide for Europe's autumn payments at New York for grain and cotton, the case will resemble more closely that of last summer when sterling fell from $4.00¼ in May to $3.55 in July, but recovered steadily throughout the autumn; more than regaining the summer's loss.

The situation in New York funds continued much as it has been in recent weeks with narrow fluctuations under 1 per cent:

NEW YORK FUNDS

June 15—Funds opened at 13-16 moved to ⅞, closing at 13-16.

June 16—Opened at 25-32, ranging to ⅞, and closing at 27-32.

June 17—Funds steady around ⅞.

June 19—Opened at 29-32, ranging to 1% and easing off at 15-16.

June 20—Funds held steady at 15-16.

June 21—Funds opened at 31-32 moved to 1%, closing 31-32.

STERLING AND FRANCS

	Demand	Cables	Demand	Cables
June 15	4.47	4.47¾	11.30½	11.28½
June 16	4.45⅝	4.46⅜	11.38	11.36
June 17	4.43⅜	4.44⅛	11.41	11.39
June 19	4.38⅛	4.38⅞	11.70	11.68
June 20	4.44½	4.45¼	11.63	11.61
June 21	4.42¾	4.43½	11.55	11.53

WEEKLY BANK CLEARINGS
(In comparison with same week last year)

EASTERN CITIES

	June 15, 1922.		Change	%
Toronto	$96,943,561	—	$10,417,647	9.7
Montreal	93,959,362	—	28,991,255	23.5
Ottawa	7,584,447	—	1,768,418	18.9
Quebec	6,121,719	+	365,311	6.3
Hamilton	5,719,237	+	17,334	.3
Windsor	4,093,649	+	811,323	24.7
Halifax	3,629,814	+	96,818	2.7
London	3,093,062	—	75,142	2.3
St. John	2,883,751	+	160,465	5.8
Kitchener	1,177,428	+	111,848	10.5
Moncton	1,104,139	+	2,759	.2
Brantford	1,088,754	—	92,477	7.8
Sherbrooke	812,091	—	252,876	23.7
Peterboro'	733,780	—	110,643	13.1
Kingston	708,254	—	81,591	10.3
Total East	$229,648,048	—	$40,224,191	14.9

WESTERN CITIES

	June 15, 1922.		Change	%
Winnipeg	$36,475,413	—	$7,198,588	15.4
Vancouver	13,695,508	+	1,282,888	10.3
Calgary	5,177,846	—	1,334,659	20.4
Edmonton	4,385,851	—	254,638	5.4
Regina	3,057,859	—	546,800	15.1
Victoria	2,072,654	—	488,370	19.0
Saskatoon	1,633,627	—	170,452	9.4
Moose Jaw	980,187	—	232,504	19.2
Ft. William	603,604	—	10,012	2.1
N. Westminster	712,710	+	101,451	16.6
Lethbridge	614,743	—	11,689	1.9
Brandon	557,891	—	127,543	18.6
Total West	$69,967,873	—	$9,002,256	11.4
Grand Total	$299,615,921	—	$39,226,447	11.5
Prince Albert	307,637			
Yr. to date	$6,009,847,691	—	$566,873,903	8.6

ASSOCIATED GOLDFIELDS "BLACK EYE" TO NORTH

(Continued from page 1)

picked samples produced, assays from picked samples shown is not known to the writer. J. G. Dainpree, one of the company's many ex-managers could talk interestingly on these subjects.

The fact remains that the "fish" were produced in sufficient number to keep the treasury bulging.

Now the company may not have been responsible for the glowing reports of its press agents who sent out great tales of a wonderful mamoth, low grade mine in the making; fanciful stories of how it might be posible to quarry the great gold bearing rocks of the Associated and handle from 10,000 tons a day upwards, etc. but it was responsible for the statements of its president and it was responsible for the financial report which was submitted to the shareholders on January 11, 1922.

Circus Methods

The utterance of the president, Dr. Mackay, widely published at the time and the cause of much controversy, can well be taken from Mr. Gray's article. It was made at Toronto in April 1920 and the president was credited with the assertion, and your correspondent never heard that he denied the published reports, that a series of bore holes heralded a gold production never before equalled in Canada. He made mention of huge ore bodies with an average value of $5 a ton. These included two long lenses of high grade $11.15 to the ton from 50 to 150 feet wide. All of which had been established by these bore holes, diamond drilling. Then came references to the milling capacity needed to handle such a body with a start at 1,000 tons daily and gradually increased to 10,000. This is about the same as the press agents pressaged.

Now as to the report made in January.

Last October George Gray, manager of the property threw up the sponge in disgust. He had tried hard to find pay ore. In a brief period he accomplished as much per month in the way of testing out the property as had been done in a couple of years before. It is said that he kept Pres. Mackay and the board fully advised on what was transpiring. This would be natural for a good mining man and Mr. Gray is a good engineer.

Engineer Quits

So then with the property practically abandoned in October 1921, it is rather surprising to find that a meeting of the shareholders of the Associated, in Toronto, the second week of January this year, were informed that the assets for the fiscal year ending October 31, just after Mr. Gray threw up the sponge, were $221,953,603.44. The fixed assets were given as $21,130,806.44 and the practically abandoned mining properties, the sink-hole for the shareholders dollars were placed in this total of fixed assets as $20,985,398.21. This did not even include the plant and machinery which were listed at $141,573.75.

The shareholders at this meeting were informed that a special meeting would be called in three months when the report of Manager Gray would be ready, yet, as the Mining Journal writer points out in a question he asks, why did the president (Mackay) say this when the directors had already decided to stop underground work on the Kerr-Addison? In other words abandon the property and on Manager Gray's say-so, in other words his report.

Even in November one of the press agents of the Associated denied that operations had been abandoned, despite the fact that in October the directors had passed a resolution restricting operations to surface prospecting.

Now as to Mr. Mackay's statement of values as given in April 1920 and the assets given in January of this year, showing the value of the property as over twenty million, the article of Mr. Gray is a complete refutation and denial. The ore has not been produced. The property is abandoned practically, yet the share holders are told they they have assets of over twenty-one million.

The writer of the Mining Journal article seems to have had free access to the details of the work done by Manager Gray of the Associated and he gives sufficient detail as to the values encountered as to show that as a prospective mine, the property is out of the question and he pictures the absurdity of a company capitalized at $30,000,000 operating on a small adjoining property purchased at $6,000 as is now the case. In fact it would seem that in this little property rests the only hope of the holders of the twenty-one million odd shares of the Associated.

Some History

Mr. Gray launches out with a review of the earlier years of the 16 years of Larder Lake's existence as an excuse for stock selling. He makes the interesting point that 1907 the capital of the companies holding Larder Lake property was $33,790,000 as compared with the $30,000,000 of the Associated company, and yet despite these many and sundry enterprises the gold production as ever stands at practically nothing, $50,000 for the whole area, says the Department of Mines report isued in 1922 and then makes the significant statement "mainly from the Argonaut with a small contribution from the Harris-Maxwell and Reddick which now belong to the Associated Gold fields. This report (1922) on gold production in Northern Ontario gives the output of individual mines and not a nickel is credited to the Associated which Pres. Mackay said in 1920 had huge ore bodies averaging $5 and high grade lenses running $11.50.

Mr. Gray recalls the report of Clifford E. Smith on his examination of the Associated property. This was over a year ago and caused quite a furore, in as much as Mr. Smith's report, between the lines, showed frank skepticism as to the value of the company holdings. His finding confirmed the opinion of H. De Pencier, who a few years previous found the properties valueless as a mining proposition and severed his connection.

What De Pencier and Smith concluded, the late Manager George Gray found to be true, judging from the details of values as produced by the Mining Journal article.

A Futile Effort

In presenting the values found, Mr. Gray goes into much detail, giving the findings at various levels, the results of core examinations after diamond drilling. In a word isolated enrichments found were without vertical or lateral continuity.

Long ago it would seem there was a sufficient knowledge of the barrenness of the property and real consideration for the shareholders interests would have resulted in seeking pastures anew, instead the Associated sought a new manager, some new stockholders and kept pouring out the cash. Mr. Gray says the property is "A hungry mass of rock with values quite unrelated." Mr. Mackay's talk of high grade lenses "was worse than a nightmare."

Now the Associated is on a new one, a property next to the holding of the Crown Reserve. The last statement of the company showed current assets of $682,620 so that on this small property, this cash will last for a considerable time before it will be necessary to "interest" others. It is also to be noted that there is another manager. "Mr. Rolfe is in charge" says an associated announcement to shareholders.

In the meantime Northern Ontario's mining industry, the legitimate of course, has suffered a severe black eye. The old adage—"Once stung twice shy" can well be applied to the Association stockholders who can safely be said to number thousands.

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NEWS AND VIEWS FOR MANAGERS

MANAGER MUST KNOW BORROWER DOWN TO GROUND

Risk Only Good When Goods Are Turned Profitably

By A. B. BARKER.
Manager, Toronto Clearing House.

The branch bank system in vogue in Canada necessitates a system of reports from branch managers to head office as to the operations of the branch. The bulk of these are of the routine variety, the statements of cash held and the various balances from day to day prepared by the staff and signed by the manager. The essential business of the branch loans and discounts, however, requires more elaborate reports, showing particularly the progress of the different borrowing accounts. This is essentially the business of the manager, the only one in the branch with authority to lend the bank funds. The essential point is that the manager must be able to definitely recommend the business. He is supposed to know his men and to have thoroughly investigated the proposition. He is in effect asking the head office to borrow the funds from the bank's depositors in order to enable the manager to make the advance and it is up to him, therefore, to show that the proposition is attractive business from the bank's standpoint. The whole thing is analagous to the manager of a branch merchandising house sending in an order for goods from a customer who wants time to pay for them. The house does not know the customer and the manager in forwarding the order must show that the customer will be able as well as willing to pay for the goods as agreed in the usual course. The position of the branch manager is similar. He sends in an order for a supply of credit from a customer, new or old, and he must show that it will be paid for as agreed. The bank is a dealer in credit and the same principles of merchandising govern in its case as in the case of the merchant. In both cases the ability to pay in the usual course will largely depend on whether the trading turnover of the debtor is sufficient to enable him to repay his obligation from the operations of his business and at the same time that the prices obtained will also pay the expenses of doing business and provide a living for the debtor.

Keeping Things Moving

In other words what both bank and wholesaler want is to see that their customer is making progress. No one wants to deal with an unsuccessful man. He always means trouble. If he is a customer of the wholesaler there is always the knowledge that unless the goods are sold the bill will not be paid and when this happens he can decide whether to renew or insist on payment. Usually this latter in such a case is not much of a hardship on the customer as unless suit is entered the customer is not hurt. He can go to some other house.

Small Profit Margin

With the bank, however, it is different, it is not so easy for a borrower to find another banking home, and the refusal of a renewal, therefore, is a much more serious matter. This is one reason why so much more care must be taken by a bank in making a loan than by a merchant selling a bill of goods. Another reason is the difference in the margin of profit. A wholesaler selling to a retail customer will expect to realize 25 or 30% over the cost of the goods while the bank may not charge more than 6 or 7%. Out of this it must pay interest to its depositors, the expenses of doing business and provide for losses. The wholesaler must do the same out of his margin. There is risk in all business and the bank must be prepared to take the risk incidental to its business but what would be fair business risk with a margin of 30% would be insanity when the margin is only a quarter of this as stated. It is the progress of the customer which interests his creditor whether the bank or wholesaler and the outer evidence of this is the way his obligations are met.

When the bank manager is submitting the application of a customer to his head office, however, he must be able to produce the facts to show this something which will stand analysis and justify his recommendation. For this purpose the customer's statement, of assets and liabilities is required and also his profit and loss, and trading accounts. The former shows whether his resources are adequate to warrant the advance of the latter, show whether the business is going forward or not. If the former, it will show where the profit was derived and if the latter where the cause of the trouble was. Now a statement is only a collection of figures and unless it will stand close analysis it is not a basis of credit. To be satisfied of the progress there must be an analysis of the stock on hand and whether it is priced at cost or market value, whether it is staple and saleable or whether it is of the seasonal variety and consequently subject to depreciation. Also the average amount of stock carried should be shown as otherwise the amount of the annual sales will give an erroneous idea of the volume of turnover.

Stock is taken for statement purposes usually when the books for the year are closed and as this is always at the slack time of the year the stock on hand will then be at its lowest and also it may be noted that the stock will include any which has not been saleable. From the purchases, sales, stocks on hand at the beginning of the year and close, the gross profit will be shown. From this will be deducted the various expenses and reserves for bad debts, leaving the net return from trading. From this will be deducted the interest on borrowed capital, and the result is the owner's profit. From this will come his drawings in order to show how much is left in the business as the man who makes good profits but spends them all is not a desirable customer either for bank or wholesaler.

Paper Financing

Analysis must go further. The amount of receivables must bear the proper ratio to the monthly volume of sales according to the average term of the sales. If this is too high it means that too many sales are being made to slow paying customers or that the collection department of the concern is poor. In merchandising, a good profit is not made until the goods are sold and actually paid for, goods on the shelves will not pay debts until sold and neither will receivables until collected. Also an account is not paid when a note is given.

During a by-gone boom in Toronto, there was one operator who whenever a note of his came due carefully calculated the interest for another three months, made out a new note for the amount of the old note and interest, signed it, blotted it, and then said: "There, thank God that's settled."

SELLING MORE SERVICE

The Customer of One Department a Prospect for Others

When the customer has opened a checking account "you have only started on him," according to W. W. Douglas, vice-president, Bank of Italy, San Francisco, in addressing the convention of Financial Advertisers at Milwaukee last week. He expressed the belief that that was just as much promotion work for an "old business" department as for a "new business" department. "A lot of attention should be given to the present customer because if cultivated the service of other departments could be sold to him. Every patron of one department in the bank is a prospect for patronage in one or more additional departments," he declared emphatically.

RETAIL STORE AS MODEL FOR BRANCH BANKS

American Banker Advises Greater Attention to Customers

Frequently on this page I have referred to the tendency of American banks to sell service over the counter as goods are sold in retail stores and have pointed out that the tendencies in Canada are leading more and more in this direction. Slowly but surely the idea of service is increasing at the expense of what might be referred to as "dignity" but which in a great many cases has been a disregard of the customers personal interests. At the annual convention of Financial Advertisers at Milwaukee last week, Fred W. Ellsworth, vice-president of the Hibernia Bank and Trust Company, New Orleans, sketched a picture of affable clerks in stores, keen to be accommodating and always ready to make helpful suggestions. This, as indicated by what follows, he contrasted with the diffidence of the average bank staff and made some interesting suggestions. —J. W. T.

"What happens in the average bank when a customer comes in to open a commercial checking account, or to rent a safe deposit box, or to establish a savings account, or to discuss a trusteeship? I am afraid that in too many instances, unlike the up-to-date merchant, we, as bankers, are content to accept the business in hand without any effort whatsoever to direct the attention of the new customer to our other facilities, many of which he probably would be glad to know about.

"What would be more logical and more indicative of intelligent service than a conversation something like this when a new customer comes into the commercial banking department?

Makes Good Suggestion

"Now that you are a member of our family, I should like to have you see our safe deposit department—no doubt you have insurance policies and other valuable papers that should be kept in a safe place. Our boxes are of all sizes and fit the needs of everybody, and the rental price is ridiculously low.

"Then, too, no doubt either you or some members of your family would like to start a savings account on which we can allow you interest computed at regular intervals; and then when you get enough money ahead to justify it, our bond department can recommend to you some high class investment bonds which will give you a larger income than you can get in the savings departments.

"Here is a little pamphlet which in some detail describes the facilities of our various departments. Look this over at your leisure, and I am sure that you will find several forms of service which will be of real interest to you. Just make yourself perfectly at home here and feel free to come to any of us whenever you have any banking or financial problems that bother you.

To Get Business

"Experience has proved conclusively that in going after new business the very best field, everything considered, is right among one's own customers, for it has been demonstrated that between 60 and 80 per cent. of all new business is directed to the bank by those who already are doing business with the bank.

"A man moves into a new town. He must have a banking account for his business, and for his household needs, a safe deposit box, savings accounts for his family, etc., etc. What does he do? Why, almost invariably, he seeks some friend and asks him to recommend a good bank, and the friend in turn takes him over and introduces him to his own banker with whom the friend has been doing business for a long time—and the deed is done. There is nothing theoretical, illogical or unusual about this procedure. It is the most natural thing in the world. And this is why advertising on behalf of our various departments directed to our customers who already are persuaded that our bank is a good one and is bound to bring the best results.

"Now institutional advertising, or in other words, advertising that emphasizes the facilities offered by the bank will produce results, or will not produce results depending upon how much or how little intelligent co-operation is given to the advertising by the officers and employees in the various departments."

Women As Bank Depositors

A sample group of 2000 self-supporting depositors shows that domestic servants make the largest group of women who deposit their own earnings in four of Boston's savings banks. In this class are included cooks, waitresses, laundresses, manicurists, hair-dressers and others. About 31 per cent. of the 2000 women depositors were in this group although by the Federal census for 1910 in this class is numbered 37 per cent. of the gainfully employed women.

Although clerical workers show accounts smaller both in size and number, their proportionate share is greater as their number is almost double their quota among gainfully employed women in this city.

Professional women, of which school teachers constitute the largest part, and mechanical industries, are about equally represented. The former class exceeded their quota but that of women in manufacturing and mechanical industries was about three-fifths filled. The small representation of this last class is due perhaps to the industrial depression.

The failure of saleswomen, who are grouped in the trade class, to patronize the banks may be explained by the seasonal variations in employment. The transportation group contains chiefly telephone operators.

The results of an investigation into this subject, made in the last days of November, 1921, in four Boston banks is as follows:

Table 1. Two Thousand Self-Supporting Women Having Accounts in Four Boston Savings Banks,* Distributed by Age Periods and Balances. November, 1921.
Number of Women of Ages Stated Having Specified Balances.

	Total	Up to 30	31-40	41-50	51-60	61 and over	No age given
Total	2,000	1,058	371	289	152	63	67
Up to $200	1,280	810	202	144	59	24	41
$201-$400	286	138	67	33	26	12	10
$401-$600	168	55	37	31	30	5	10
$601-$800	72	19	22	20	8	1	2
$801-$1,000	44	11	11	12	6	4	..
$1,001-$1,200 . .	67	10	14	24	11	7	1
$1,201-$1,400 . .	17	2	2	8	4	..	1
$1,401-$1,600 . .	22	5	6	4	3	4	..
$1,601-$1,800 . .	7	1	3	2	1	..	..
$1,801-$2,000 . .	16	2	4	4	3	3	..
More than $2,000	21	5	3	7	1	3	2

Table 2. Two Thousand Self-Supporting Women Having Accounts in Four Boston Savings Banks,* Distributed by Occupations and Balances. November, 1921.
Number of Women Having Specified Balances in the Following Occupations.

Balance	Total	Manufacturing and Mechanical Industries	Transportation	Trade	Professional Service	Domestic and Personal Service	Clerical Occupations
Total	2,000	294	59	118	305	621	603
Up to $200	1,280	191	50	70	163	358	448
$201-$400	286	28	6	20	54	110	68
$401-$600	168	31	1	9	32	62	33
$601-$800	72	16	1	4	14	22	15
$801-$1,000	44	9	..	2	6	21	6
$1,001-$1,200 . .	67	9	..	6	17	22	13
$1,201-$1,400 . .	17	1	..	1	5	9	1
$1,401-$1,600 . .	22	2	..	1	1	10	8
$1,601-$1,800 . .	7	3	..	..	1	2	1
$1,801-$2,000 . .	16	3	..	1	7	..	5
More than $2,000	21	1	1	4	5	5	5

*Home Savings Bank, Newton Savings Bank, South Boston Savings Bank, Suffolk Savings Bank for Seamen and Others.

TORONTO

E. R. Laing, accountant at the Hastings branch of the Bank of Toronto, has been appointed manager of the branch at Bethany.

DOMINION

The Dominion Bank announce that their branch at Trenton, Ont., will be closed on the 26th instant, and collections held by them will be handed to the Standard Bank at that point.

MONTREAL

The Bank of Montreal, announces that for the convenience of the travelling public, a sub-agency to their Quebec Branch has been opened in the Canadian Pacific Railway Hotel, the Chateau Frontenac, Quebec, to be known as "Chateau Frontenac Sub-Agency," in charge for the present of E. H. C. Smith.

HOCHELAGA

The Bank of Hochelaga advise the opening of a branch at Ahuntsic, Que., under the management of P. Chaloux. The St.-Denis-sur-Richelieu, Que., sub-agency has been converted into a branch under the management of J. A. Beauregard. The St.-Antoine-sur-Richelieu branch has been converted into a sub-agency controlled by St.-Denis-sur-Richelieu branch.

NATIONALE

(La Banque Nationale announces the following appointments of managers) all in Quebec branches:

Ct. Hyacinthe, Chas. Lavoie; St. Roch Quebec, A. George Russell; Buckingham, Ant. Dupuis; Beauceville, J. E. Poitras; Nicolet, H. Fortier; St. Casimir, L. Trottier; Riviere du Loup Sta., Jos. Dallairs; St. Pacome, P. A. Boulanger; La Patrie, J. P. Roy; Marche Bonsecours, (Montreal), J. A. Theriault; Sub-Branches—St. Anne, Chicoutimi, J. A. Fournier, sub-agent; Pont St. Maurice, Geo. Toupin, sub-agent.

WANT PROVINCE TO BEAR COST NIPIGON POWER

(Continued from page 1)

and system of the Kaministiquia company and the development of Dog Lake falls. Assurance of $17.50 power had been given by Sir Adam Beck. Mayor Edmeston of Fort William claimed that as the hydro commission had voluntarily assumed the obligation of developing the Nipigon river, and had done so when costs were at the peak of high prices, it was up to the government of Ontario to write some of it off.

At a sitting of the board held at Port Arthur the statement was made that the city was losing $200,000 a year because of an agreement that any industries locating there were to use Hydro power. It had been insisted by the government that Nipigon power be used to develop the Black Sturgeon limits. This was the argument used to support the contention that the government and not the city should bear the loss involved in the costs of Nipigon.

Corin:—He that wants (needs) money, means or content is without three good friends.
As You Like It. (Shakespeare)

Three Good Friends

Shakespeare does not say money is one's best friend, but he says it is a good friend and he couples with it "means and content".

Without money there can be no means and without means content is improbable.

It is therefore important that what surplus money you get when you can earn should be providently and carefully invested, so that in the years to come you will have both means and content.

Entrust us with your investments and your principal will be safe and your income assured.

Write for the "Investment Guide."

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81

"IT CANNOT BE DONE"

Said a bond man this week when we told him that the municipal statistics in the

EIGHTH ANNUAL
Government and Municipal Review
Number of
THE FINANCIAL POST

would be brought up to December 31, 1921.

But he was wrong. It can be done, and with the exception of possibly 5% of the minor municipalities the figures will be as at that date.

Bond houses will require many extra copies.

How Many Do You Want? Place Your Order Now.

In this number will be compiled complete and up-to-date financial statistics of the provinces and municipalities of Canada. As these statistics are available in complete form, in no other publication the issue will be invaluable to investors and dealers in Government, Provincial and Municipal Bonds.

The Eighth Annual Government and Municipal Review Number of THE FINANCIAL POST will be published in connection with next week's issue, June 30. In order that we may determine how many copies to print, we shall want to know in advance how many extra copies will be required.

Last year nearly 4,000 extra copies were sold. Bond houses distributed copies to their salesmen, agents and clients. Investing institutions placed copies in the hands of all their agents and officers.

EXTRA COPIES 25 CENTS EACH

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Please reserve for us .... extra copies of the June 30 issue of THE FINANCIAL POST containing the Eighth Annual Government and Municipal Review Number of THE FINANCIAL POST. Deliver these to the address below.

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THE FINANCIAL POST HAS THE LARGEST PAID CIRCULATION OF ANY CANADIAN FINANCIAL PAPER.

TORONTO, JUNE 23, 1922

TAXES AND THE COST OF LIVING

THE TAXATION—direct and indirect—borne by the individual is a very important factor in the cost of living. If, therefore, the tariff, income and other taxes are higher in Canada than they are in the United States there is an inevitable effect on living costs and a tendency to accelerate the migration of Canadians over the Southern border as well as to influence newcomers to America in the selection of their future homes.

It is then a matter for serious consideration that while the United States, like Great Britain, is paying current expenses out of current revenues and is reducing those expenditures to the relief of the tax-payer, Canada is doing nothing effective to reduce the costs of running the country and is in fact still adding to capital debt in order to make up current expenses.

There is not much criticism to be offered to the methods by which Mr. Fielding proposes to raise the funds required by his budget. But the fact that so much money is called for gives rise to serious misgivings. There is little evidence of real effort to cut out waste or to introdue efficient methods in the conduct of public affairs. Prior to the election it looked as though the Griffinhagen investigation would lead to something but evidently anything like a drastic reorganization was distasteful to the late government in the face of an election. So the Griffinhagen people were called off, their reports were filed and the new government has shown little disposition to dig them out of their pigeon-holes.

WAGES OF LABOR AND CAPITAL

WHAT THE United States needs for sound prosperity in 1922, and every year thereafter, is a sound transportation system, declares the Wall Street Journal. If this is true of the United States it is more emphatically true of Canada. Not only is Canada a country of vast area like the United States but we have a more scattered population and are dependent to a greater extent upon successfully reaching export markets with agricultural and other natural products.

Discussing the American situation the Journal declares that transportation is not on a sound basis when it does not command the highest credit, which means the lowest interest rate in support of low railroad rates, and it cannot command this when it labors, as at present, under the following restrictions:

1. Absence or limitation of private enterprise.
2. Government contral as to 90 per cent. of operations.
3. Political control.
4. Abnormally high wages for railroad employees as compared with wages of land and hand producers.
5. Abnormally low wages for past invested capital.

Efficient transportation is more important in a country like Canada than is low freight rates—and there is perhaps no more important factor in their cumulative effect upon manufacturing costs than these same freight rates. We want lower rates but not at the expense of efficiency and not at the cost of increased deficits on the national lines to be added to the tax burdens of the people.

The solution lies in a sane policy towards the railroads—government and private—at Ottawa and an adjustment of costs, particularly wages, so that freight rates can be reduced without discouraging new capital for needed developments and improvements, and without robbing investors of a just interest return on their accumulated earnings.

GOUGING AMERICAN TOURISTS

THE WORD is going forth throughout the United States that American tourists are being gouged in Europe. Writers and cartoonists are at work on a publicity campaign—carefully planned, or otherwise—which promises to disrupt the trans-Atlantic tourist traffic. Consider the following by Richard Spillane:

> Common sense seems at times to be 'way below par in Europe. Anything restrictive of tourist traffic on the Continent would operate to the great disadvantage of Europe, and never more so than now. Germany is eager to gain the favor of the United States. So is France. So is every nation of Europe. And yet, from the cabled accounts of the treatment of American travelers, the French, the Germans, the British and others are giving cause to tourists and business men to return to America with tales of gouging and discrimination and general dishonesty that will sour other Americans on Europe as a whole.

And if the American tourists are being discouraged from going to Europe, where will they go? Undoubtedly the "See America First" campaign will be given impetus by the "European gouge" publicity, but many Americans have already galloped over their own country and they, with many others, will not consider that they are having a real holiday under their own national roof. Holidaying and visiting are synonymous terms with a great many people. And Canada offers the opportunity for a holiday-visit.

This situation leads to the consideration of two particular points. In the first place to let America know of Canada's attractions for tourists; in the second place to treat them when they come in a manner which will contrast with European "gouging."

The FINANCIAL POST has frequently urged that Canada, and Canadian provinces as well as attractive cities and districts advertise for American tourists. Vancouver has done so with convincing, direct results. Good roads and good hotels are highly important if such advertising is to be effective—there is no scarcity of scenic and historical attractions. And having once induced tourists to come here it remains largely for the proprietors of hotels, camps, stores, garages and retail shops to decide whether they return to their homes determined to come again accompanied by their friends or to advertise Canada as the home of shortsighted "gougers" who, like the boy and the filberts, try to grab all the profits at once.

FARMERS SHOULD PAY AS THEY CAN

SCORES OF Western farmers, it is learned upon the best authority by THE FINANCIAL POST'S Regina correspondent, are rather dreading the approach of harvest as they fear at that time they will be swooped down upon by a horde of debt collectors.

In the current issue of the Swift Current Herald, this situation is referred to very seriously; it being pointed out that during the lean times, the agrarian has been forced to incur obligations which this one year—no matter how productive—cannot discharge.

In the scrutiny of the situation made by the newspaper in question, it is stated that the farmers are anxious that the provincial government take steps to dam this anticipated flood of bill-collectors at its source. The agriculturalists would be willing, it is stated, for the government to secure from each farmer a statement of his resources, obligations, etc., and then act as paymaster for him, allotting funds required for ordinary expenses and distributing the available balance among creditors on a pro-rata basis. The Herald comments on this situation as follows:

> "It is recognized there are many objectionable features to a general moratorium; but where farmers voluntarily place their assets at the disposal of the government officials, all farmer debtors of honest intentions and inclinations, would be relieved of a great burden of worry and expense. At the same time, creditors would receive from this season's crop all that could be reasonably expected."

Should creditors prove unduly drastic in those sections of the province where crop conditions in the past few years have been causing wheat growers to sink further and further into the mire of debt, no doubt the provincial government would be justified in action. In this regard, however, the Regina Leader; government organ, says unofficially:

> "The government does not want a moratorium and it would be extremely unfortunate if it were forced to declare even a partial moratorium; but all classes in the province must be protected in the enjoyment of their rights. So far, conferences between the government and both the creditor and debtor classes, have succeeded in rendering such a step unnecessary and there does not appear to be any good reason why similar conferences in the future would not be attended by similar results. We are confident that the great majority of the farmers of the province, who have been forced into debt by conditions over which they have no control, are prepared to do the best in their power for their creditors and are anxious, moreover, to get out of debt as quickly as possible. The great majority of creditors are also, no doubt, ready to make it as easy as they can with the farmer consistent with good business practice. There are perhaps exceptions in both cases, but generally speaking, we see nothing of either the attitude of debtors or creditors that should cause any interruption in the normal course of business and cause a demand from the farmers that the government come to their rescue."

We do not see anything in the situation which cannot be worked out by mutual understanding. Naturally there will be pressure upon the farmers to pay their long standing debts—and they should be paid before new automobiles are bought or trips to California indulged in. But there has been no widespread tendency in the past to handicap the sound, straight-forward borrower by not leaving him sufficient capital to conduct his farming operations to advantage and such a tendency is not likely to develop at this time. There is no shortage of mortgage money where the security is sound and the moral risk satisfactory.

EDITORIAL NOTES

WE HAVE YET to hear of a corporation breaking its back by carrying a surplus.

* * * *

THE WAY SOME people go about their simple tasks reminds one of a man carrying a hod full of feathers.

* * * *

IF THEY GET the bandit industry organized to a state where it can be unionized the Brooklyn Eagle declares that it will give liberal space to writing up the strikes which are sure to follow.

* * * *

THE PEOPLE of Guelph evidently do not think they got the worth of the $150,000 of their money spent by the Hydro on the street railway. Sir Adam had better be less reckless where the people are in a position to judge for themselves of how their money is being spent.

* * * *

IT IS REPORTED that there are still many sturdy laborers in Toronto with nothing to do. But naturally they do not want to leave a city where the city itself sets a wage standard with a minimum of 60 cents an hour or about double what such labor is worth in the present market.

* * * *

IN TORONTO THEY are still wondering about the "clean-up" deal of Mackenzie properties. Funny thing is that evidently everybody in the city knows who is responsible for all the delay except the newspapers. However, if Sir Adam Beck thinks that he can use Toronto as a club to get Premier Drury to change his policy of Hydro radials he will have to think again; Toronto is a political liability in any event in the Premier's books.

* * * *

THIS SHOULD be a debt-paying year for Western Canada—if the harvest comes up to expectations. Of course, the farmer should not be reduced to a financial state where he will be handicapped for capital for his needs and to continue his agricultural operations. On the other hand, he should not expect still to be carried while he buys a car for joy-riding or spends the winter in California.

* * * *

ADDRESSING THE Financial Advertiser's Convention at Milwaukee President F. Dwight Conner, of Chicago, warned against the use of "strife promoting and crime fostering newspapers" which "stir up hatreds, local, national and international." He wanted to know "what chance has a clean, modest, honest advertisement of a banking institution amid the screeching, raucous pandemonium of distorted news, hate producing editorials, diabolically misleading cartoons, slush, scandal and appeals to mob violence?"

MUSCLE SHOALS

The Fallacies of Ford Financing

By H. Michell
Professor of Political Economy in McMaster University

The story of Muscle Shoals very brefly is as follows:

When the United States entered the war the necessity for manufacturing munitions on a gigantic scale was at once apparent, and the government proceeded to start a great hydro-electric plant at Muscle Shoals in Georgia, for the purpose of turning out the chemical constituents of shells in vast quantities. But the war happily ended sooner than was expected, and the great work was left unfinished on the hands of the government. Already well over a hundred million dollars have been expended on it, and to complete it another fifty millions will be necessary. The government does not want to spend more money, and is looking for a purchaser. At this point Mr. Henry Ford appears, and proposes to buy the plant as it stands, complete the building and use it for the production of chemical fertilizer and the supply of electric power to the cities in the neighborhood.

Naturally the government is quite delighted to sell it to Mr. Ford, but his terms of purchase are decidedly novel, that is where the rub comes, and the cause of all the argument and contention. Mr. Ford proposes to pay five million dollars down, and then to borrow fifty millions from the government wherewith to finish the job. These fifty millions he suggests might very well be issued in the form of currency, not backed by gold but by the Muscle Shoals property. This is the argument as propounded by the New York American: "Certainly to finish the plant the government would borrow fifty millions at five per cent., which would cost the taxpayers 2½ millions a year. The government which issues its own currency with gold back of it, would go into the market and borrow its own money at a high rate of interest. It ought to stop that foolishness. Ford's suggestion is to build this plant with currency issued, not against gold, but against the plant itself, which is worth every dollar. The government would issue the currency with the Muscle Shoals plant and the whole country back of it. The government would pay no interest for borrowed money to build the plant, and Ford would pay the government four per cent. on the money it puts in, and that would cost the government nothing."

A Delightful Scheme

The more one contemplates this scheme the more delightful does it appear. Evidently Mr. Ford has hit on a method that will solve, or go far to solve government financing for ever. Why should this plan stop at Muscle Shoals, why snould it not be extended indefinitely? For instance supposing the Dominion Government decided to go into the St. Lawrence scheme, what would be easier than to finance the Canadian share of the work by issuing currency? The security would be first rate and when the work is completed there would be a national utility of enormous value. Of course when you let your imagination go on it, why should not the government do all its financing of public utility schemes by this simple method? But the more we think of it, the more we see there is something very wrong indeed with all this beautiful argument. The truth is this idea is as old as the hills. The French tried it at the Revolution when they issued the paper money the "Assignats" backed by the lands confiscated from the church and the nobles.

Lessons From History

The wise-acres among them argued that money backed by real estate of undoubted value could not depreciate; they went on arguing this while the wretched paper fell in value to vanishing point, and a good many of them died arguing it to the end.

Mr. Ford's proposal is founded on a fundamental fallacy, a failure to understand exactly what money is. Money is a medium of exchange whereby we make easy the exchange of goods. If we had no money then we would have to betake ourselves to barter, which is a very clumsy and slow process. But since we have money it helps us very well to exchange things; and if we have no goods to exchange, then money is no use to us, just as the gold that Robinson Crusoe found in the wreck was of no possible use to him on a desert island. Now just at this point we arrive at the fundamental misconception that troubles all our inflationists. When money is not being used to exchange goods, then it is useless and does no work. Mr. Ford wants the government of the United States to issue currency for the completion of the Muscle Shoals plant. Well and good, provided that when the plant is completed the currency is retired. Why should it be retired? says Mr. Ford. Because it has done its work, and to leave it in the hands of the public then would be sheer inflation, and the world has had quite enough inflation to last it for a very long time. The whole thing is very simple indeed. Let us suppose a manufacturer goes to a bank and puts up a proposition for a loan in order that he may carry out some business project. The loan is approved, the business is carried through successfully, and the money is in due course repaid. What really has happened is this; the bank has put at the disposal of the individual a certain amount of the medium of exchange or purchasing power which we call money. With this he carries out the transaction, and when the exchange of goods has been effected the money is retired back into the keeping of the bank until it is required for another exchange. Of course there are lots of money in the form of notes and silver going about incessantly that are not retired but available for an indefinite period. But this money is only for our convenience in making small purchases. The really great and important sums are lent out and recalled by the banks in the form of loans.

"Cake" Moral Applied

Mr. Ford wants to have his cake and eat it too. It is just as if he went to a bank and borrowed the money on the understanding that the loan would never be repaid. Banks can't do business in these terms, but governments can, unfortunately. He wants Muscle Shoals and the money needed to complete the job both at once, and all he can say to justify this is that the security is worth it. That is exactly the point that both Ford and Edison can never get away from. Whenever they are argued with they say, with an exceeding great cry, but the place is worth it! So was the real estate behind the French Assignats worth the money. They have got hold of the wrong end of the stick altogether; they have a totally wrong idea of the function of money. When the North American talks about the government paying for its own money it is talking the most mischievous nonsense. Carry the idea a step further and the government could turn out every man's pockets and take all the money he possesses simply because it was issued in the first instance by the government. We pay taxes enough to the government in all conscience, but not for the reason that money is not ours but the government's.

All these inflationist schemes split on the same rock, this fallacious and mischievous notion that money is not a medium of exchange but something that can be manufactured at will by governments in need of cash. This idea has been favourably esteemed in Russia, Poland, Austria and Germany, with the notable and doubtless satisfactory results that the world has witnessed during the last few years.

Propaganda For The Business Paper

Editorial From the Toronto Globe.

To a discussion of editorial writing and the qualities needed for it The Philadelphia Public Ledger contributes the following shrewd observation:

> If the reporter is, as Franklin Matthews said, the backbone of a newspaper, the editorial writer is its face, and by him the newspaper is loved or hated. The slightest error damns the paper and brings in basketfuls of letters of protest, whereas the reporter's mistakes bring in about 25 per cent. at the most of the reproaches to which he is entitled. Usually he does not draw even 1 per cent. or none at all. This is a curious commentary on the saying that "nobody reads editorials."
>
> The background of an editorial writer consists of everything he ever has studied, read, observed, heard in casual conversation or seen for himself. A baby playing in the street, Shakespeare and the wildest doctrines of Sir Conan Doyle form part of his education. He can sneer at nothing unless he is prepared to back up his sneer with a defense based on wide information of his subject. He can say what the reporter is not allowed to say, but he pays for the privilege with a total absence of the reporter's comparative immunity. He must be right as the heavens; he is not, but he suffers every time he falls short of that perfection. His is the most difficult job on a newspaper.

The Ledger is right in saying that an error of fact in the editorial page of a paper brings literally "basketfuls of letters of protest." People who would never think of correcting corresponding errors in the news columns keep a rod in the brine for the editor who has trusted a poor memory instead of consulting a reliable book of reference. It is rather startling to be tripped up on a statement regarding conditions in and around Erzerum by someone who has just returned from America, or to be assured on the authority of an old resident of the Punjab that condemnation of General Dyer was based on a misapprehension of the situation in India.

The world has became a very small place and the editor is liable to hear from a former companion of Borneo's head-hunters if he strays a foot from the path beaten by them through the cane of the jungle. One is not always sure of the accuracy of these contradictions and denials, but, after all, in the never-ending conflict between the written word and the man who has been there it is difficult to set aside the testimony of Pro Bono Publico when he begins his letter of protest with the mild remark that the editor would not have written of the ukelele as the national weapon of Hawaii if he had ever resided in the South Seas.

The most serious falling away of the modern editorial writer, as compared with his predecessor of the past generation, is in the digging department. Too often in the Canadian press and even more frequently across the border, the editorial writer is a swallow skimming the suface instead of a fish hawk swooping down on the more desirable and solid substance to be found beneath the water. Reading is still vital to the making of a full man, and reading becomes growingly difficult in these days when golf and motoring and lawn bowling and curling, and even skating, are tugging at the editorial writer's coat sleeve and demanding attention each in its season. It is to be feared that in not a few cases the scissors and paste pot wield an increasing influence in the making of the editorial, and that the laborious hours of research spent by the editorial writers of bygone days before they tackled a new subject are now devoted to the entertainment of the first person singular rather than the education of the masses. But the masses will never know that. The movie has claimed them for its own, and the newspaper on which hours were spent in less strenuous times is now "read" in ten or fifteen minutes at breakfast or after tea.

Pulled Flax As Boy, Now Bank Director

J. F. M. STEWART, who has been made a member of the board of the Home Bank, is one of the younger figures in the industrial and financial community, who, through his activities in a wide field, has been coming rapidly to a prominent position in recent years. Like many others who have made good in the business life of our larger cities, Fred Stewart was born in the country in the little town of Harriston, Ont., a little more than forty years ago, and in his early years he learned agriculture at first hand through such jobs as pulling flax at 25 cents a day. Receiving his primary education at Harriston he entered Toronto University in 1896 and graduated in political science with first class honors in 1900. After leaving Varsity he spent a year and a half at Osgoode Hall leaving there in 1902 to become assistant to T. A. Russell, who was at that time general secretary of the Canadian Manufacturers Association. One of his first commissions with the C.M.A. was to spend three months touring the West Indies reporting on trade opportunities there for Canadian manufactured products. As the result of the information thus made available many a successful business connection has been made between West Indies and Canadian interests.

Mr. Stewart made rapid progress with the C.M.A. and when he left in 1906 he had attained to the position of general secretary. In fact it was his success in that post that attracted the attention of some of the Toronto Liberal stalwarts and in preparation for the 1908 election he was secured by P. C. Larkin, now High Commissioner for Canada in London, the late Senator Jaffray and M. J. Haney to organize the district for the Liberal party. It was the thorough and effective manner in which he handled this organization that led to his being offered a partnership by Mr. Haney and an association was formed that lasted until 1920.

In his association with Mr. Haney and since he has been connected with a large number of industrial projects in many of which he holds directorship including the Dominion Steel Corporation, Chartered Trust and Executive Co., Murray-Kay Co., Ogilvie Co., Montreal, Hagersville Contracting Company, and Halifax Shipyards Company. He is president of the West Coast Towing and Salvage Company, Vancouver; Gilday Boat Company, Penetang; and Stewart, Scully Company, Toronto, a new financial corporation; he is vice-president of the Port Credit Brick Company.

Nor have Mr. Stewart's industrial and financial activities altogether divorced him from the agriculture with which he became so early acquainted. During the war he and some associates went into the farming business in Western Canada. He has probably gained by these experiences with farm life connections which have on various occasions led him, in speaking as a representative of manufacturing interests, to express with tact and sympathy those broader views which should lead to a better understanding between the great underlying industries of the country.

THE ISSUE IS CLEAR

Grain Growers Guide

The debate on the budget has made one thing about the present House of Commons perfectly clear. There is in the House but one low-tariff party and that is the Progressive. One after another Liberal members have risen in their places and repudiated the tariff plank in their party's platform and declared for protection. The Liberal party stands to-day where it stood during the entire fifteen years it was in office. It will tinker with the tariff, but it will not make reductions that amount to anything. Quebec Liberalism, so the Quebec members, including the great Sir Lomer Gouin, told the House, stands for the Laurier tariff policy. The Laurier tariff policy is the Fielding policy, and the Fielding policy has always been a protective policy. Mr. Fielding himself has put that beyond dispute.

New Issue

$400,000

Bird & Son, Limited

(Manufacturers of asphalt roofing, roofing felt, wall board and allied products under the internationally known trade names of "NEPONSET," "PAROID" and "BIRD'S.")

7% Cumulative Preferred Stock

Par value $100 per share.

Quarterly dividends payable on the first days of January, April, July and October, and negotiable without charge at any Branch of the Royal Bank of Canada, in Canada; or, in case of stockholders resident in United States, in New York funds, provided the premium does not exceed 5%, and then up to 5%.

Callable as a whole or in part at the Company's option at 105 and accrued dividend on any dividend date on thirty days' notice in writing.

Transfer Agents—Montreal Trust Company.
Registrar—National Trust Company, Limited.

Capitalization

(Subject to the issue of Supplementary Letters Patent)

	Authorized.	Issued.
7% Cumulative Preferred Stock (this issue)	$400,000	$400,000
Common Stock (no par value)	80,000 shares	75,750

The Company has issued no bonds.

From the President's letter we summarize the following:

1. **THE BUSINESS**—*The Company has two plants in Canada—a mill at Pont Rouge, Quebec, and a factory at Hamilton, Ontario. The Bird industries had their inception one hundred and twenty-seven years ago, in 1795. The early mills were in East Walpole, Massachusetts, on the Neponset river.*
2. **ASSETS—Net assets, exclusive of goodwill and after deducting depreciation and all liabilities, amount, according to the Company's balance sheet, to $906,377.76 or over $226 per share of Preferred Stock.** *The Hamilton and Pont Rouge plants are carried on the books at the very conservative valuation of $572,588.13, although the valuation of these as going concerns, after deducting all depreciation, is given by the Canadian Appraisal Company, as of June 10th, 1922, as $1,152,530.32.*
3. **EARNINGS**—*Average net earnings (certificate of Messrs. Price, Waterhouse & Co.) for the four years ending December 31st, 1 21, amount to $80,016.05, which is* **over 20% on the Preferred Stock.** *The net earnings for the first five months of 1922 to May 31st are at the rate of $94,389 per annum or over 23.59%.*
4. **MANAGEMENT**—*The executives, superintendents, and all holding responsible positions have served the Company for many years and proven their ability.*
5. **SAFEGUARDS FOR PREFERRED STOCK.**
   - (A) **The Preferred Shares are preferred both as to dividends and assets.**
   - (B) **The Company has issued no bonds,** *and covenants that no bonds shall be issued or mortgage or lien given on the fixed assets without the consent of 75% of the Preferred Shareholders, except security to the Company's Bankers in the ordinary course of business, and except purchase money mortgages.*
   - (C) *The Company agrees to maintain net tangible (including liquid) assets of* **at least 200% of the Preferred Stock outstanding.**
   - (D) **No dividends shall be paid on the Common Stock at any time unless all dividends due on the Preferred Stock have been paid.**
   - (E) **No additional Preferred Stock may be issued without the consent of 60% in value of the Preferred Stock at the time outstanding.**
6. **DIVIDENDS**—*Accrue from July 1st; the first dividend being payable October 1st, 1922.*

PRICE: $87.50 per share. YIELD: 8%.

Payable as follows: $10 per share on application, $77.50 per share on or before July 10th, 1922.

We recommend these shares for investment.

Forward application with the amount now payable. The right is reserved to allot all, none, or a portion only of the amount applied for. In event of partial allotment, the balance of the deposit will be applied towards payment of amount due on allotment. Interim certificates will be issued pending the preparation of definitive certificates.

Orders may be telegraphed or telephoned at our expense.

We offer this stock, when, as and if issued and received by us. All legal matters in connection with this issue will be passed upon by Messrs. Blake, Lash, Anglin and Cassels.

A. E. AMES & CO.

Investment Securities

UNION BANK BLDG. - - - - - TORONTO
TRANSPORTATION BLDG. - - - MONTREAL
74 BROADWAY - - - - - - - - NEW YORK
BELMONT HOUSE - - - - VICTORIA, B.C.
HARRIS TRUST BLDG. - - - - - CHICAGO

Established 1889

The Vancouver Province learns that the purchaser of the assets of the Western Canada Pulp & Paper Company is the Manufacturers' Holding and Investment Corporation, Ltd., of Toronto. The latter made the only bid, which works out to nearly 70 cents on the dollar on the outstanding first mortgage bonds, with a face value of $1,000,000.

RSC
INVESTMENT-SERVICE

If you are an Investor

or are likely to become an investor, you cannot afford to miss reading our exhaustive review of the Canadian Bond market, contained in the current issue of *Investment Items.*

Write today for a copy of this publication; you will find its contents of more than ordinary interest and value.

Royal Securities CORPORATION LIMITED
164 St. James Street
MONTREAL
Toronto Halifax St. John Winnipeg
Vancouver New York London, Eng.

INVESTORS' INQUIRIES

Information under this head is given in answer to direct requests from investors who are readers of THE FINANCIAL POST. Only questions respecting securities are answered by mail direct. We would remind correspondents that it is now necessary to enclose 3 cents in postage stamps to cover postage on answers direct.

C. N. W. 4½% DEBENTURE

Inquirer, Smooth Rock—Will you please advise me your opinion of the £50 Province of Alberta guaranteed 4½ per cent. first mortgage debenture stock of the Canadian Northern Western Railway Co., maturing February 16, 1942, which are selling around $87. Also why in converting this stock the sterling rate of 4.86.66 is used.

We do not recommend the purchase of C. N. W. railway 4½% debenture stocks due 1942, guaranteed by the Province of Alberta because of the confusion that exists regarding payment of interest. It is not required in the mortgage that interest be paid at par in Canada, although the company is doing that voluntarily. But without the legal provision there is no certainty that payments at par will be continued. The conversion is made at $4,86.66, because of this feature.

GRAND TRUNK PACIFIC

C. P., Nova Scotia.—Kindly advise if Grand Trunk Pacific 4 per cent. bond, due 1962, is considered a good bond. It is guaranteed by the Dominion Government. Does it rank as high as a Victory bond?

G. T. P. 4% due 1962 are an excellent security. The Dominion Government guarantee makes them quite as strong as Victory bonds.

The one disadvantage is that your coupons return you but 4% every year. The bond will advance of course, as maturity approaches, sufficient to make up the difference between this and the yield at which you buy, but the extra income does not actualy come into your possession until you sell the bond or at its due date. But you can judge for yourself if this is a matter of determining the importance in your case. Certainly the very long term makes this bond as attractive as Victory bonds; possibly more so.

JEWETT-RADIO PHONOGRAPHS

Reader, Brechin—Would appreciate a report on Jewett-Radio Phonographs, stock; head office, Windsor, Ont., par value $10. From the prospectus the directorate appear to be men of experience, but we do not know much about them.

The remarkable demand for radio equipment and the rapid expansion of the industry in the past year or so has undoubtedly been one of the wonders of modern mechanical inventions. However, there is a question as to stability of this new industry and the extent to which radio services can be commercialized on a sound basis. The entertainment part of it must be regarded yet as something of a fad but if these daily services can be arranged to give permanent satisfaction and if radio equipment can be successfully used in the transmission of market and other news between commercial institutions, and for the benefit of the agricultural community, the manufacture of radio equipment, upon which there is evidently a good margin of profit, should prove a successful venture. On the other hand there is a danger that a business which has expanded so rapidly of an over-lapping of prospective orders which may prove misleading. It was found at the peak of the industrial boom, for instance, that possible orders indicated by bookings were greatly in excess of real business, for the reason that when there is a shortage of supplies dealers will place orders in several sources or will increase their orders where there is a prospect that deliveries will be cut down. Thus manufacturers may extend their facilities on the prospect of business which may not be justified later in actual orders.

You will appreciate, therefore, that an investment in the Jewett-Radio Phonographs, Ltd., must be regarded as a speculation. We believe you have the assurance, however, of able and efficient management and an organization which will undoubtedly get its share of what business may be going.

Mails Flooded With Circulars From Texas Oil Promoters

One Man Invested $5,000 In Company He Knew Nothing About—Dividends Are Paid, But For How Long?

Do you want to get rich in a hurry? Of course you do. Then join the procession to the post office; send your money to Glenn Craig Tobias and Co., brokers, Fort Worth, Texas. They will send you stock in the United States Royalty Corporation and by and by the dividends will commence to roll in. Do not hesitate. Do not be sceptical. If you are doubtful they will send you a long list of people in your own city who have invested with them and are now drawing 500 per cent. increased cash dividends. But hurry. The price is going up. Buy now the "Shares with a Future."

"Let us do you as we are daily doing hundreds of others," says their circulars, now flooding the Canadian mails. Pardon us; that was a typographical error. What they really say is "Let us do for you what we are daily doing for hundreds of others." Perhaps it means the same thing.

Stock is offered by Glenn Craig Tobias and Co. in the United States Royalty Corporation. The circular is a long one of between 1,000 and 1,500 words. In that space one should be able to tell a lot. Yet this circular does not tell the capitalization of the company; the name of the directors; the location of the wells, purported to be covered by royalty interests; what those royalty interests are and how long they will last; what the par value of the shares is. It does not give one essential fact concerning which the public can use for buying stock.

Presumably the public is buying the stock. A list is given on an attached sheet of a number of Toronto people who have bought stock in this and previous companies and who are now drawing dividends. The prospective buyer is urged to communicate with any of these people. One man who received a circular actually did telephone to one of these parties.

This man had invested no less than $5,000 in stocks of royalty corporations promoted by these concerns.

Of course he was drawing dividends.

Probably he will continue to draw dividends so long as he has any money left. After this firm has all his money, dividends will—well, we will let the reader guess how big they will be.

"Yessirreee, they are paying me good dividends," this man said. He was undoubtedly satisfied. "They took a lot of Victory bonds I had and gave me stock for them. They took my Victory bonds at par. They sure treated me white. I reckon I am making about 18 per cent. on my investment. You cannot get that around this town."

Yet this man admitted he did not know anything about the company or the people he bought stocks from.

He was satisfied. His dividends were coming in. He confessed that every dollar he had received in dividends had gone back to the company for more shares.

This man's actions make Ponzi seem less of a wizard and more of a student of human nature. It never was hard for Ponzi to pay dividends because he knew that as fast as he paid out money people would reinvest it with him to make more money.

Glenn Craig Tobias and Co. seem to have a love for retail merchants. The man who had invested $5,000 was a retail merchant. So are others on the list they send out. Evidently it is easy to get a list of retail merchants. Moreover one merchant is apt to invest more quickly when he learns that another had gone into the company.

It is time for small investors to learn that dividends don't mean anything in a stock promotion. If they could talk they would probably say "Stop! Look! Listen!" A company that is in a position to pay dividends usually is not selling stock. This is not a rule that can always be applied but it is a good rule to apply to oil companies.

Investors should be careful too of being influenced by high sounding names. A "royalty corporation" is not necessarily any better than a straight out and out oil gamble.

Canadian mail is continually burdened with offerings from crooked promoters in Texas and other American states. Many of their offerings are quite within the law; most of them probably are. But no retail merchant or other individual has any right to put his money into a proposition concerning which he cannot get complete and accurate information on every essential point.

Oil stock is sold on the psychological appeal. That is why it is so easy to sell. The average man who takes a flyer in oil does not know the difference between an oil rig and a legal prospectus. He has heard of fortunes in oil and he wants to get rich quick.

Witness the case of a Canadian oil proposition which has been selling stock for three or four years; first at 10 cents a share and now around $2.00. This company has samples of oil to show. It has photographs of a drilling rig it has erected. But it has something more than that—a beautiful map that appeals to the imagination. The map is in the shape of a cone. The base of the cone is the oil field of Pennsylvania. The peak of the cone is their well in Ontario. Oil always rises, of course, so it is easy to see from a single glance at this map that the site of their oil well is the apex of the entire oil fields of the Alleghanies. Absurd, of course, but it has worked for three years and probably will continue to bring in the dollars. Incidentally this company had paid dividends to its shareholders. No one knows how much has been "invested" in its shares. It is doubtful though if the bank balance of this company would total 1 per cent. of the total amount "invested." Probably at least 75 per cent. has gone to the promoters and stock selling organization.

But 25 per cent. is all the law allows on stock sales, the reader may protest. This is a common delusion. If Smith buys stock to-day at $1 a share and sells it to-morrow at $10 he has made 90 per cent on the selling price. No commission enters into the transaction. If he buys a share of common stock in a company at $5 a share and sells one share of preferred and one share of common at $200 paying $100 for the preferred stock less a commission of 25 per cent. he has made $120 or 60 per cent. commission on the selling price.

So even when the prospectus states that the commission on stock sales is only 25 per cent. it does not always convey much information.

There is only one way for the small investor to protect himself. That is, to exercise the same judgment in buying securities that he would in buying a house, or a stock of goods for his store, or a new tool kit If he cannot get all information about the proposition offered him, he should leave it alone. And he should consult someone whose judgment he can trust.

A Sound Investment

Why we recommend Bell Telephone common at present prices.

Investors will be well advised to send for a copy of the new Greenshields Review containing a chart of Bell Telephone's record for 30 years.

Free on request

Greenshields & Co.
INVESTMENT SECURITIES
Montreal: 17 St. John Street
Toronto: 14 King Street East
Ottawa: Central Chambers

PERSONALS

SIR ROBERT MOLESWORTH KINDERSLEY, who sat for England on the committee of international bankers which considered in Paris a loan to Germany, is a partner in the great French and English banking house of Lazard Freres et Cie., a director of the Bank of England and governor of the Hudson's Bay Company. A Londoner of the fine old substantial school, Sir Robert is "lieutenant of the City of London and member of the Court of the Fishmonger's company."

JOHN COWAN, of the advertising department of the Toronto General Trusts Corporation, last week attended the annual meeting of the Financial Advertisers Association in conjunction with the convention of the Associated Advertising Clubs of the World held at Milwaukee. The discussions covered the inter-relations of financial advertising, trust advertising, investment advertising and bank advertising. Mr. Bourne of the Royal Bank, Montreal, was another Canadian attending the session.

ALEXANDER LEGGE, the new president of the International Harvester, stands six feet two and is perfectly proportioned. He is self-educated, yet his associates say there is no man better qualified for the job and none has a finer economic brain. Having started life as a cowboy, he loves the outdoor environment, but he has worked too hard to develop a hobby. For 30 years he has trained with and under the McCormicks, Cyrus and Harold, and the friendship between the latter and himself has Damon and Pythias quality. Legge's kindly, brusque manner has endeared him to the Harvester official family and employees. Because of his active interest in the Chicago Association of Commerce, he has a wide business acquaintanceship and popularity. His first farm machinery job was as a collector for a farmers' paper, with an occasional sale of implements, in 1891, in the Omaha branch of the then McCormick Harvester Co.

Four stockholders of Homestead Bank of Brooklyn, recently purchased by People's Trust Co., begin suit in Supreme Court on stock which they allege they were induced to sell much lower than price announced at time of Homestead purchase.

Canadian Municipal Bonds

issued by such cities as Toronto, Galt, Windsor and London, afford the purchaser excellent security, combined with convenient facilities for collection of interest. We can offer a wide selection of these bonds at attractive prices.

Write for descriptive circulars.

Wood, Gundy & Co.
Montreal 36 King St. West New York
Winnipeg Toronto London, Eng.

Use Your Investment Funds to Secure 7½%

For Fifteen Years

In view of the low income now available on Government and Municipal Bonds, resulting from the continued upward trend in price, a keen demand has developed for high-grade industrial securities.

As a result of careful investigation of the industry, and also of the Company, we have no hesitation in recommending as a sound investment the

First Mortgage Bonds of the Canadian Paperboard Company, Limited

They provide a substantial income return of over 7½% for a period of 15 years, and combine all the essential requirements of a sound investment.

PRICE: 95.50 and Accrued Interest

Write for full information.

Canadian Debentures Corporation Limited
Established 1910
36 KING ST. EAST TORONTO

We offer

MARITIME TELEGRAPH & TELEPHONE COMPANY
7% GOLD BONDS
Maturing on December 1, 1945

PRICE: 104 and interest, to Yield 6.66%

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A. P. B. WILLIAMS, Secretary-Treasurer.
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Correspondence invited.

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First Mortgage 6% Sinking Fund Bonds
Due May 1st, 1940

Net earnings for 1921 were sufficient
to pay bond interest eight times over.

Price yielding about 6.50%

Circular on request

F. H. Deacon & Co.
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F. H. DEACON J. C. FRASER R. G. DINGMAN

55

8% Cumulative Preference Shares with 75% Bonus

We recommend the purchase of the 8% Cumulative Preference Shares, with a bonus of 75% in Common in the
BRIDGE RIVER TIMBER & MANUFACTURING CO.
LIMITED

PATRICK DONNELLY & COMPANY
189 St. James Street Phone Main 8720 Montrea

NEWS AND VIEWS ABOUT BONDS

SIR JOHN EATON'S HOLDINGS SMALL OUTSIDE OWN FIRM

Held Large Amount of Tax-Exempt Victory Bonds

One striking feature of the will of the late Sir John Eaton, president of the T. Eaton Company is the fact that his business interests centered in his own institution almost to the exclusion of outside investments. C. P. R. and Dominion Bank are the only stocks outside of the T. Eaton Company in which Sir John held substantial holdings and he was a director of these corporations. Sir John's reserve funds were invested in only two types of securities, Dominion of Canada Victory bonds—the 1933 and 1937 tax exempt issues—and Province of Ontario bonds—the latter including a large portion exempt from succession duties.

The estate totalled $13,980,623. Schedules attached to the will, which have been filed since the original will was discussed in the daily papers, give a more accurate idea of the holdings. Real estate was valued at $3,329,155. Outside of the family residence and other residential properties the chief real estate consists of practically the entire two blocks between Carlton, Yonge, Terauley and Hayden streets in Toronto, valued at $2,624,249.

Bonds and Stocks

Holdings of bonds included the following the figures given being the par value:

T. Eaton Co. bonds	$ 15,400
T. Eaton Co. debentures	10,000
1933 Victory Bonds	1,146,950
1937 Victory Bonds	1,531,550
1922 Victory Bonds	1,250
5 per cent. Ontario 1923	1,000,000
4 per cent. Ontario, 1939	194,600
4 per cent. Ontario 1941	259,000
4½ per cent Ontario, 1945-65 £	400
4 per cent. Ontario, 1947 ...£	1,700
Union Dye and Chemical Co., 1st mortgage	5,000

Stocks held included:

Shares		Par Value	Market Value
9,888	T. Eaton Common, Valued at $500 per share.		
10	T. Eaton Drug com.	$1,000	$ 6,000
1,500	T. Eaton Life Assurance (40% paid)	60,000	60,000
200	Canada Bond Corporation, common	20,000	4,000
156	Dominion Bank .	15,600	30,342
250	C. P. R.	25,000	36,000
10	Loew's Toronto pref.	1,000	450
700	Electric Advertising Co. Toronto, com.	7,000	no val.
22½	Union Dye and Chemical	225	no val.
4	Dominion Henderson Bearing pref.	400	no val.
2	Do., com.	200	no val.
100	Bishop-Barker Aeroplanes pref. .	10,000	no val.
40	Do., com.	4,000	no val.

Other bond and stock holdings included a long list of securities of clubs, hospitals, etc. Total holdings of stocks are valued at $4,973,837 and of bonds and cash $4,548,565. Mortgages totalled $52,087.

There was only one life insurance policy payable to the estate, a $1,000 policy in the T. Eaton Life Assurance Company.

Of all the bequests in the will, the most interesting is the manner in which Sir John's holdings of T. Eaton Company stock are disposed of. It is provided that they shall go to whichever of his sons attains the age of 27 and is considered by the trustees under the will fit to manage the business. In the event of none of the sons qualifying to manage the business, the shares may be turned over to his daughter if the trustees in their opinion consider that she would make a capable manager of the business. Or if they deem it advisable the trustees may sell the stock dividing the funds derived among the children. Provision is made that one-eighth of the profits shall be diverted to a special fund, to be established five years hence and until the sum has accrued sufficient to pay $2,000,000 to each child.

Strong Market for Pulp and Paper Company 8's

"A recent feature in the market for industrial bonds has been a broadening demand for the 8% twenty-year securities issued in 1921 by the Brompton, Spanish River and Fraser Companies," says Greenshields & Co.

"The bonds were sold originally when the investment markets were depressed and the paper industry was going through a difficult period of readjustment. High-coupon rate plus long maturity are attracting new buying of the bonds, first because large returns based on good security are becoming scarce, and second, because confidence in the profitable character of the industry has been restored. The floating supply of the bonds is small, with current prices about 102 and interest.

"With a continued fall in interest rates, these bonds will be considered cheap at prices to yield 7%, which would mean a quotation of about 110. We continue to recommend their purchase, being more than ever convinced that conditions that made it necessary for strong corporations to finance with 8% bonds will not recur in this generation."

Investment Stories From Real Life*

After Losing Over $25,000 By Backing His Own Judgment This Dentist Found A Good Investment House A Really Worth While Friend.

It has been so popular to ridicule the time-worn practice of locking the stable door after the horse has been stolen, that most folks have overlooked the fact that if there is another horse in the stable, or even a set of harness, locking the stable door prevents the thief coming back for the booty he couldn't take with him on the first load. Most people have made at least one bad investment in their life time; purchasing stock in an oil well built on printer's ink and air or contributing to the benefit fund of a crooked promoter with a well-meaning but misguided inventor in tow. But those who have made such investments and then wiped them off their assets completely, with a determination to investigate fully the next time have not lost much. They have learned a lesson that was worth the price and they lock their stable doors—and windows too—against further depredations.

There are people though who seem to have a mania for picking on the wrong kinds of stock. In such a class was Jacob Jellison, who was a dentist in Waseyville.

When Edward Smid came to Waseyville with a proposition to establish an automobile factory Jellison readily became one of the biggest stockholders. It was in the earlier days of the automotive industry and Jellison saw the possibilities in the manufacture of motor cars. He invested $2,000 in the company and later on added another $3,000 to it. But somehow the plant never got beyond the first story. Smith's expenses and commissions took a big proportion of the money that was raised and when the money began to come in very slowly he resigned and left town for more productive fields. Jellison and the other stockholders found themselves with a partly finished plant, an amazing array of blue prints that they did not understand, and no working capital. The Waseyville Motors Corporation dropped out of existence and with it went Jellison's $5,000.

It was a hard blow, for Jellison was reaching middle age and he had counted on this money as a nucleus to build upon. He was a little more wary after that. He interested himself in the Monarch Bank, and for three or four years invested his savings in the stock of that bank. But another roseate scheme was presented to him; it was a steel plant in an adjoining town that seemed to have everything in its favor. He bought only $1,000 of stock and in the course of another few years had invested in eight or nine similar new industrial, mining and financial corporations. He was also in a railway company and a Western land development organization. His clientele was growing but he now had an able assistant. Jacob Jellison and his wife packed their trunks and went for their long planned trip to England. This was in 1909. Eight months later they returned. Jellison found devastation in his investment list. Four of his companies had failed completely. Even the bank which was in bad condition when he left had started on the road to insolvency. Eventually he was called upon to meet payments under the double liability clause. Jellison was unfortunate. Few people have lost by investing in Canadian banks and to-day they are considered among the best of investments. But he had the faculty of investing in the wrong place and his nemesis overtook him here as elsewhere. By the time 1913, when the boom in Canada began to subside, Jellison had lost practically all he had invested—approximately $25,000 in all.

Though 60 years of age he still had his earning power left. But he was quite discouraged and felt that he did not want to bother saving. The money would be lost anyway.

It was when he was in this frame of mind that the representative of a large and reputable firm of investment bankers found him.

"There is no use in your talking to me," he told the security salesman, "I haven't any money and I wouldn't buy any more securities if I had."

"You may not have any money but I can see at a glance that you are earning more here than you spend and you will have money later if you haven't it now," countered the bond man.

Jellison smiled a hard, cynical smile and he proceeded to tell the investment man his whole story. How practically every cent he ever invested had been lost.

"You never invested a cent in your life," shot back the bond man. "You were mighty unfortunate in the Monarch Bank affair I admit, but you only got the inevitable result with your stocks. Now I want you to listen to me, and then tell me what you are going to do.

"You are a good dentist and you know a lot more about my teeth than I do. I wouldn't attempt to pull my own teeth. I would not know how to go about it.

"But when you have invested your money you went ahead on the assumption that you knew as much about stocks and bonds as about dentistry. And to be blunt, results have shown that you knew as much about the difference between speculating and investing as I do about the difference between molars and bicuspids."

"Here young fellow," broke in Jellison, "your talk is all very fine but how am I to find out whether a proposition is speculative or not. One stock looks as good as another to me. I cannot follow all the securities."

"That's what I am in this world for, to fill your need," explained the bond man. "If you had always had a good investment house to advise you, you would be worth $25,000 or $35,000 more to-day than you are."

The result of this conversation was that Jacob Jellison agreed to look to this investment house for advice on his investments. He has followed that advice quite consistently for nine years. He has bought government bonds, municipal bonds, some industrial bonds and a number of the better preferred stocks. They have not all proven 100 per cent. satisfactory. The fact of the matter is that one of his industrial bonds is in default and two of his preferred stocks are in arrears on their dividends. But Jellison does not mind. Though now nearly 70 he is still active and has an income of close to $5,000 a year apart from his investments. He is building an estate, more for the benefit of his children and grand-children than for himself though he plans to retire completely in another two or three years. He has bought investment securities in the "business man's investment" class and has always earned a fairly good yield. He has declined every offer from a promoter or investment banker not known to him as absolutely reliable. He has not lost a dollar of principal in nine years and is hoping to receive the arrears on the three investments mentioned above as soon as business conditions improve. He holds now about $40,000 or $35,000 of securities, which total is rapidly increasing.

He himself sees a lesson in his experiences. It is this: that if a man is not in a position to judge for himself of the value of various investments he should seek the advice of those in a position to know, whether the source of his advice be a reliable firm of investment bankers, a financial paper or his local banker.

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*While all the stories in this series are true the names given to the men whose lives have been written up, are of course, fictitious.

CRISIS IN AFFAIRS OF AMES-HOLDEN CO.

MONTREAL.—A short time now should see the fate of Ames-Holden-McCready settled one way or the other, as a situation has arisen during the past few days, which, unless it is ameliorated, will preclude the working out of the reorganization of the company and its subsidiaries, at least along the lines which have been followed since the death of President Rieder some time ago. The crux of the situation seems to be that some of the creditors are asking for a cash settlement of proportions which, i is considered, are out of the question. Here the matter stands at present. The creditors are obdurate in their demands, while the company maintains that reorganization would be impossible if those demands were satisfied.

So far as could be learned the Security Holders' Committee decided to make the creditors an offer of payment in full in the securities of the reconstructed enterprise. A few days ago the creditors met and asked for 50 per cent. cash. They were told, it is understood, that this would be impossible, and it was intimated that persistence in this demand would mean the liquidation of the company in which event they could expect but little. An offer was made to them that if they accepted settlement in securities of the company these securities would be purchased from them in cash at 25 cents on the dollar. Thus far there has been no change in their attitude, and the outcome apparently hangs in the balance.

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Do., 1932/ 42	5.40%
$22,000 City of Toronto 5½% Bonds due 1939/ 41....	5.30%

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GOOD OUTLOOK BUT BUSINESS IS VERY CAUTIOUS

(Continued from page 1)

Argentine ...	15,799	16,566	+ 4.80
India	29,114	31,020	+ 6.50
Australia ...	6,798	10,287	+51.00
	21,751	26,422	+21.47

	Production Average 1909-1913	Production Average 1915-1919	Percentage Inc. (+) Dec. (—)
	1,000 Quarters		
U.S.A.	85,836	103,862	+21.00
Canada	24,640	31,810	+29.00
Argentine ...	19,668	19,437	— 1.00
India	43,842	40,818	— 7.00
Australia ...	10,618	13,830	+30.00
	36,921	41,951	+18.62

World's production is accordingly at present a good deal below the pre-war figure, but to off-set this the consumption of wheat in Europe has been greatly reduced during and since the war. This explains the fact that prices have not soared sky-ward, for although the world's supply has decreased the demand, or at least the effective demand, has also decreased.

Summing up the situation, the "Economist" is the authority for the statement that:

"In the past, prices have been low in proportion to the economic value of wheat on account of the great difficulty of regulating or preventing over-production in a world-wide and scattered industry, partly controlled by climatic conditions. Greatly increased productive costs are general throughout North America and Australia, so that in the future a higher price may be anticipated, unless distributive and marketing costs are reduced, or a more economic system of production introduced.

CIVIC AND PROVINCIAL FINANCE

PROVINCES USING MOTORS REVENUE FOR GOOD ROADS

In 1921 $7,668,633 Was Received in License Fees for Cars

Canadian provinces received a total of $7,668,633 in 1921 revenue from registration and licensing of motor cars. From this figure it will be seen that a very important source of revenue for provincial treasuries has developed from the motor car traffic of the Dominion. The amount is increasing yearly. There has been a tendency to revise fees upward and since 1914 the number of automobiles registered in Canada has increased from 69,547 to 463,848. How fees have jumped can be seen from the fact that revenue increased 27% from 1920 to 1921 and registrations of cars only 11.7%.

Ontario, which has the most cars has naturally the largest revenue. Figures for all the provinces follow.

	Cars	Revenue
Alberta	40,292	$ 718,531
British Columbia.. ..	32,850	600,000
Manitoba	38,632	528,194
New Brunswick	13,615	273,074
Nova Scotia	14,275	372,218
Ontario	206,517	2,930,000
Prince Edward Island	1,751	38,203
Quebec	54,660	1,386,531
Saskatchewan..	61,175	821,882
	463,767	$7,668,633
Yukon	81	860
Total all Canada	463,848	$7,669,493

Where Cars Are

Saskatchewan has more cars per capita than any province. There is one car for every twelve persons while the figure for Canada is 1 to 19. The ratio in other provinces is: Alberta, 1 to 14; British Columbia, 1 to 16; Manitoba, 1 to 16; New Brunswick, 1 to 28; Nova Scotia, 1 to 37; Ontario, 1 to 14; P. E. I., 1 to 51; Quebec, 1 to 43.

This expansion in the number of motor cars has not only given incentive to the good roads movement but has also helped provide the funds for good roads development.

Diverting the Funds

Ontario, it will be recalled, has motor license fees to the extent of $25,000,000 for road building. In Saskatchewan the license fees go to the general fund of the province while large appropriations are made for highways. In every other province though, the motor revenue goes direct to highway. The procedure in the provinces is as follows:

Alberta—All of net after administration to construction and repair roads account.
British Columbia—97½% to construction and repair roads account.
Manitoba—All to highways debentures sinking fund and interest.
New Brunswick—All of net after administration to highways debentures sinking fund and interest.
Nova Scotia—Same as New Brunswick.
Ontario—As stated above.
Prince Edward Island—Same as New Brunswick.
Quebec—Same as New Brunswick.
Saskatchewan—As stated above.

Firestone Tire Bonds Sold in United States

So many Canadian subsiding corporations of American companies are financed in Canada now, that it was peculiarly interesting that the issue of bonds in the Firestone Tire and Rubber plant should have been made across the line.

Offering was made last week by Otis and Co. of Cleveland of $1,500,000 of 15 year 7 per cent. first mortgage bonds of the Firestone Tire and Rubber Co., of Canada, Ltd., at 99 to yield 7.10 per cent.

The bonds are a first obligation of the assets of the Canadian company fixed assets being valuated at $2,685,181. After giving effect to this financing assets applicable to the issue total $4,100,000.

Sinking fund provided will retire $75,000 a year for three years from 1925, $100,000 a year for the following five years and $155,000 a year for the next five years.

When War and Victory Loan Issues Fall Due

Answering a question in the House of Commons, Ottawa, the Minister of Finance said:

Bonds of domestic war and Victory loan issues become due as follows:

Year	Amount outstanding March 31, 1922
1922	$182,834,500
1923	172,459,650
1924	107,955,650
1925	42,014,500
1927	63,437,250
1931	52,931,600
1933	446,663,800
1934	511,910,650
1937	326,465,750

Halton County Sells Its Bonds on a 5.51% Basis

Halton County has sold $59,600 of 5½% 20 instalment bonds to R. C. Matthews & Co., at 99.90, a 5.51% costs basis. The tenders included:

R. C. Matthews & Co.	99.90
Gairdner, Clarke & Co.	99.33
Wood, Gundy & Co.	99.31
W. L. McKinnon & Co.	99.17
McLeod, Young, Weir & Co.	98.77
A. Jarvis & Co.	98.72
C. H. Burgess & Co.	98.62
Harris, Forbes & Co.	98.37

Quebec City bonds to the amount of $422,000 were awarded to McLeod, Young, Weir & Co., Provincial Securities Corp., and L. G. Beaubien & Co., in syndicate at 99.27 for 5½% 10 year bonds. Alternative bids were asked and received as follows:

	10 yr.	20 yr.
McLeod, Young, Weir & Co.; Municipal Debenture Corp.; Provincial Securities Corp.; L. G. Beaubieu & Co.	99.27	93.2338
A. Jarvis & Co.; R. T. Leclerc & Co.	99.13	93.75
Wood, Gundy & Co.; Canadian & Foreign Securities	99.13	94.036
Gairdner, Clarke & Co.; Nesbitt, Thomson & Co.	98.61	93.61
Harris Forbes & Co.; National City.	.....	93.61
A. E. Ames & Co.; Hanson Bros.	98.612	93.736
MacKenzie & Kingman; Beausoleil & Co.	98.40	92.3889
United Financial Corp.	98.128	93.099
Houser, Wood & Co. ..	.....	93.667
R. A. Daly & Co.; R. C. Matthews & Co. ..	.....	93.81
Sterling Bond Corp.	99.27	93.41

Look for Still Higher Prices in Bond Market

Analyzing the bond market the Dominion Securities Corporation say:

"The steady advance in prices of high-grade Canadian Government and Municipal bonds during the past six months has been unquestionably sound, of a healthy character and the inevitable result of a demand in excess of available supply. While during the summer months there may not be further material increases, yet it is to be noted that prices of similar securities in the English and American markets are still considerably higher than those prevailing in Canada. Having in mind the economic principle that money will find its own level, we feel that, as exchange conditions are adjusted and money flows more easily into Canada, our bonds should sell at higher prices."

TENDERS AND BY-LAWS

TENDERS WANTED

July 3, Saskatoon.—$491,500, 5, 5½, and 6 per cent., 5, 15 and 30 year various debentures. City Commissioner, Saskatoon. (See announcement on page 16.)

June 26, Rosetown, S.D.—$24,000 7 per cent 20 year debentures, W. M. Aseltine, Secretary, Rosetown, Sask. (See announcement on page 16.)

June 26, Tp. of Sandwich, Separate School. — $42,000, 6½%, 30-year debentures. Adolphe C. Janisse, Secretary of Board, Ford City. (See announcement on page 16.)

Sept. 1, County of Peel.—$80,000, 5½%, 10-year debentures. Robert Crawford, County Treasurer, Brampton. (See announcement on page 16.)

June 27, Tecumseh, Ont.—$18,500, 7%, 20-instal. debentures. E. Dugal, Town Clerk.

July 4, La Tuque, Que.—$75,000, 6% bonds, redeemable 1923 to 1927. G. Duguay, Sec. Treas. of School Commission.

June 30, Riviere du Loup, Que.—$200,000, 5½%, 20-year debentures. Jos. Lebel, Sec.-Treas.

June 30, Toronto Twp.—$40,000, 6%, 20-year debentures. J. R. Kennedy, Clerk, Dixie, Ont.

July 20, District of West Vancouver.—$31,600, 5½%, 20-year debentures. Jaf. Ollason, Hollyburn, B.C. (See announcement on page 16.)

June 28, Rockland, Ont.—$22,000 6% 20-instal. debentures. T. H. Wyman, Treasurer.

July 3, Sainte-Flore East., Que.—$25,000, 6%, 30-year debentures. V. Bourassa, Sec.-Treas.

July 5, Municipality of Shuniah.—$10,000, 6%, 10-year debentures. H. A. McKibbin, Clerk. (See announcement on page 16.)

July 17, Brampton,—$25,000, granting of loan to the Sturgis Baby Carriage Co., by issue of debentures for ten years.

MERCIER GOUIN HEAD OF NEW BOND HOUSE

Organization in Montreal Will Be Associated With McLeod, Young, Weir Co.

There has been organized in Montreal a new investment company, to be known as Le Comptoir Financier Canadian, to deal in government, municipal and corporation bonds.

The officers and directors are:—president, L. Mercier Gouin, K. C., LL. D., of the legal firm of Beaulieu, Gouin, Marin and Mercier Montreal; vice-president and managing director, Captain J. P. Kempf, manager of the Montreal office of McLeod, Young, Weir & Co., investment bankers; directors, J. S. Sicotte, M. P., of Laprairie, P. Q., M. Dupre, of the legal firm of Fitzpatrick, Dupre and Gagnon, Quebec, P. Q., J. A. Desgardins, and D. I. McLeod, of McLeod, Young, Weir & Co., Toronto and Montreal.

The new company, which will have offices in Montreal and Quebec, will be closely allied with the firm of McLeod, Young, Weir & Co. The company will devote itself particularly to the distribution of bonds of high grade among the French-speaking investors throughout the Province of Quebec.

Mr. Gouin, president of the company, is one of the most prominent members of the junior bar in Montreal. On his graduation from Rhodes Laval University he was awarded a Rhodes scholarship, subsequently graduating from Oxford University. He delivered a memorable address before the Canadian Club of Toronto, several years ago. He is a son of Sir Lomer Gouin.

Alberta Asks Tenders On $3,500,000 Bond Issue

From Our Own Correspondent

EDMONTON.—Tenders for the Alberta Government debenture issue of $3,500,000 recently announced, are now being called for and will be received up to July 5. The issue is divided into two blocks, as follows: $1,000,000 in Canadian funds only, and $2,500,000 for Canadian and American payment. Both blocks are 30 year, 5 per cents.

Of the total proceeds of the issue $2,000,000 will be used for public works and general purposes and the balance for refunding purposes.

Offer East Kootenay Bonds to Public Soon

The East Kootenay Power Company bond issue of $2,000,000, announced some time ago will be offered publicly next week, it is understood, by Nesbitt, Thomson & Co. The bonds constitute a first mortgage on the properties and bear 7 per cent. interest.

NEW PREFERRED ISSUE

A $400,000 preferred stock issue of Bird and Sons, Limited, Hamilton, Ont., is being brought out by A. E. Ames & Company. This will be offered at $87.50, which, as the stock is 7% cumulative means an 8% yield.

The "Pariod" roofing of Bird & Sons, have been sold in Canada for a good many years, along with the other trademarked lines "Nepoesnt." and "Birds." Some ten years ago mills were opened at Pont Rouge, Que., and a factory at Hamilton, Ont.

There are no bonds ahead of this preferred stock and none may be issued without consent of 75% of the preferred shareholders.

The earnings for the first five months of 1922 are said to have been $94,389 or over 23.59% on the preferred stock.

BOND MOVEMENTS OF THE WEEK

Latest Price, Week Ending June 20

BONDS—	Int. Rate.	Due Year.	Yield.	Range 1921 High	Range 1921 Low.	Range 1922. High.	Range 1922. Low.	Latest Price. Ask.	Latest Price. Bid.	Week End. High.	Week End. Low.
Asbestos	5	1942	6.51	100	73	100	76	—	85	85	83
Can. Bread	6	1941	6.45	90½	83	96½	88½	96¼	—	96	95
Can. Car	6	1939	6.13	98	97½	98½	95	—	98¼	98½	—
Cons. Rubber	6	1946	6.32	90	84	96½	88	—	94½	96	—
Ced. Rapids	5	1953	5.38	97	86	97½	94	95	—	94	—
Dominion Iron	5	1929	6.77	88	75	90	82½	89*	89	90	84½
Dom. Textile	6	1925	6.61	98	92	99½	97	—	98	98	—
Lyall Cons.	6	1932	8.90	86	68	80	75	79¾	77½	79	—
Montreal, Dec. '22 ..	6	1922	5.20	108	104	104¼	99¾	100⅜	—	100⅜	99¾
Do., May '23 ..	6	1923	6.16	108	104	103½	99¾	99¾	—	99¾	—
Do., Sept. '23 ..	6	1923	6.16	100	97¾	102	97½	—	99½	99¾	—
N. S. Steel	5	1959	6.06	76¾	69¾	84¾	78½	—	80	84	—
Quebec Rly.	5	1939	8.10	68	59	72½	63½	70½	70	71	70
Rio Janerio	5	1935	6.70	84¼	78	85⅝	76	86	85	85	—
Sao. Paulo	5	1929	7.80	82	70	85½	80	84¼	—	84¾	84¼
Steel of Can.	6	1940	6.05	99	88½	99½	97	100	99¾	99½	—
Sher. Williams	6	1941	6.17	98	96	99	96	99	98	98	—
Wayagamack	6	1951	7.70	78¼	69½	80	71¾	80	—	80	—
War Loan (1925) ..	5	1925	5.59	96.00	92.00	98.60	96.10	98.25	98.00	98.15	97.75
Do., (1931) ...	5	1931	5.22	96.60	90.05	98.90	96.25	98.40	98.25	98.50	98.10
Do., (1937) ...	5	1937	5.00	102.50	94.50	101.50	99.50	99.90	99.70	100.10	99.50
Victory (1922) ...	5½	1922	5.70	99.55	96.62	100.10	99.10	100.00	99.90	99.90	99.50
Do., (1923) ...	5½	1923	5.60	99.50	95.50	100.10	98.75	99.90	99.85	99.99	99.25
Do., (1924) ...	5½	1924	5.74	98.50	94.25	100.75	98.00	——	99.40	99.95	99.10
Do., (1927) ...	5½	1927	5.35	101.00	95.25	102.70	99.75	——	100.50	100.75	100.25
Do., (1933) ...	5½	1933	6.23	101.80	95.12	103.90	101.25	102.40	102.30	102.50	101.75
Do., (1934) ...	5½	1934	5.47	99.43	92.25	101.45	98.80	100.30	100.25	100.35	99.75
Do., (1937) ...	5½	1937	5.01	104.00	96.50	106.55	103.30	——	105.05	105.10	104.60

WEEKLY RECORD OF GOVERNMENT AND MUNICIPAL BOND SALES

Date	Place	Sold to	Rate	Term	Price	Amount	Basis
June 20	Halton County, Ont.	R. C. Matthews & Co.	5½%	20 in.	$ 59,600	99.90	5.51
June 20	Quebec City	McLeod, Young, Weir & Co.	5½%	10 yr.	422,000	99.27	5.60
June 16	Sioux Lookout, Ont.	C. H. Burgess & Co.	6%	30 in.	35,000	103.204	5.70
June 16	Beeton, Ont.	C. H. Burgess & Co.	6½%	20 yr.	6,000	105.21	6.05
June 16	Chapleau Tp.	Sun Life	6%	var.	50,000	....	...
June 14	Ochre River, Man.	W. L. McKinnon & Co.	6%	30 in.	30,000	....	...
June 20	Goderich, Ont.	Locally	5½%	10½ av.	14,997	par	5.50
June 16	Prince George, B.C.	Grieve, Lawrence & Co.	6%	10 & 15	44,000	92.	7.05
June 10	Vernon, B.C.	A. E. Ames & Co.	6%		110,000	100.85	...
June 16	Pointe Claire, B.C.	Hanson Bros.	6%	25 yr.	12,500	105.355	...
		CORPORATION					
June 16	Firestone Tire	Otis & Co., Cleveland	7%	15 yr	1,500,000	....	...
June 16	Canadian Polishes	Council & Englert, Hamilton	8%	15 yr.	90,000	....	...

Building for the future
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PUBLIC OWNERSHIPS "ACCIDENTS"

St. John Standard

The Globe issues a timely note of warning as to what may be liable to happen at any time to the Musquash hyrdo plant, and of the consequences which would ensue to all those who depend upon that plant as the source of their light and power. In view of the fact that ill-conditioned minds cannot possibly throw it in the teeth of The Globe that it is "merely the mouthpiece of the N.B. Power Company," perhaps these civic hydro enthusiasts will pay some attention to what it says.

Mr. Herbert Phillips and those associated with him in the enterprise naturally make light of the collapse, and attempt to show that it is of little consequence and readily repaired Nevertheless the fact remains that for the time being that portion of the plant is out of commission and will be for some weeks until proper repairs can be made. It may be said that the intake on the West side is all right, but may not an accident happen in that part as readily as to any other part of the plant?

Engineer Ross gave it as his deliberate opinion that a steam standby would be necessary to make the Musquash development a sufficiently reliable source of light and power for the citizens of St. John to depend upon and his opinions seems to be well founded. If the city is going to depend upon the Musquash development alone, without any steam standby then it is taking a considerable risk of being left in the lurch some day when it is least expected.

INSURANCE FOR BUYER AND SELLER

OBJECT TO TAX ON UNLICENSED INSURANCE CO'S.

Manufacturers Take Stand That It Would Remove Competition

In the annual report of the Insurance Committee of the Canadian Manufacturers' Association, submitted to the annual meeting of that organization this week, a definite stand is taken in opposition to the proposed tax of 5 per cent. on insurance premiums paid to insurance companies and underwriters not licensed in Canada; this tax is embraced in the budget of the Finance Minister. The association takes this stand against the taxing of unlicensed insurance for the following reasons:

(1) The revenue which such a tax would produce would be trifling. The greater part of insurance placed with unlicensed companies is with companies known as New England Mutuals, at an average net rate of about 10c per $100. A tax of five per cent. on these net premiums would yield a revenue of about $10,000 to the Government. A very large proportion of the remaining insurance now placed with unlicensed companies would cease to be so placed and competition would be proportionally reduced without any adequate results from a revenue standpoint. The probability is that the cost of collecting the tax would almost equal the revenue derived.

(2) Approximately 95 per cent of all fire insurance placed in Canada is placed now with licensed companies leaving only about five per cent. which is placed with unlicensed companies. It is submitted that the five per cent. now placed with unlicensed companies constitutes a minimum degree of competition. As the taxation proposed would undoubtedly reduce this five per cent. it is evident that the element of competition would almost disappear. However little present competition may now be used by Canadian property owners its very existence has been of incalculable benefit in maintaining insurance rates at a reasonable level in this country.

(3) By far the largest proportion of insurance placed with unlicensed companies is now placed by the licensed companies themselves, and the individual insured should not be deterred from using the facilities which are used by the licensed insurance companies themselves.

(4) The insurance companies, licensed to transact insurance in Canada are subject to taxation for the privilege of carrying on a profitable business. Banks are also taxed for the same privilege, but no one so far has suggested that a Canadian borrowing money from a bank in New York should be made to pay a tax on amount borrowed. Canadian manufacturers are sometimes charged with inconsistency in opposing the taxation of unlicensed insurance because they ask for tariff protection of manufacturing. In reply to this statement, it is pointed out that licensed insurance companies are already protected to a far greater extent than manufacturers. No unlicensed company may open an office, solict business, inspect a risk or even adjust a loss in Canada. A Canadian who wishes to introduce competition into his insurance costs must himself approach the unlicensed companies of Canada. Canadian manufacturers would consider themselves very fortunate if they had 95 per cent. of the manufacturing business of this country.

The report further points out that the proposal to tax unlicensed insurance has been discussed at various times since 1909. In 1910 a committee of the Senate made a very thorough investigation into the subject, heard evidence from all interested parties and decided that any tax on premiums paid to unlicensed companies would be undesirable. Reference was made to the report of Judge Masten, made to the Ontario Government in 1917 after very exhaustive enquiry into insurance conditions. This report stated that a tax on premiums paid to unlicensed companies would tend to lessen competition and that nothing should be done which would lessen the competition now existing. In 1920 and 1921 Sir Henry Drayton, ex-Minister of Finance, considered the advisability of imposing this tax but, it is pointed out, after hearing representations from all parties he rejected the proposal.

AMERICAN FIRE LOSS

Arson and Incendiarism Are On the Increase

From Our Own Correspondent

NEW YORK.—Despite the fact that there was no single conflagration of any magnitude during 1921, fire losses last year in the United States were $485,000,000, according to an estimate made public by John B. Morton, president of the National Board of Fire Underwriters, at the fifty-sixth annual meeting of the organization, held recently in this city. Statistics showed that the fire losses last year amounted to $4.47 per capita, or $1,400,000 a day. The loss exceeded that of 1920 by $38,000,000.

Incendiarism and arson are on the increase, it was reported by a committee, which declared that "never before in the history of fire insurance has the moral hazard been so prominent as in the past twelve months." Because of the economic depression, it was stated, business has been marked by innumerable failures, and a large number of "business fires" have resulted. During the past year the committee's staff investigated 832 fires, in connection with which 368 arrests resulted. Of the 210 cases brought to trial, 159 convictions and 51 acquittals have been recorded. The committee investigated 1,783 suspicious fires in the last five years, and has a record of 2,500 arson convicts.

HEAVY INSURANCE TO PROTECT ESTATE

Late Henry P. Davison Carried Policies for $2,000,000 On His Life

The fact that the late Henry P. Davidson, member of the firm of J. P. Morgan & Co., New York, carried $2,000,000 of life insurance, effectively shows how men of large affairs and great wealth appreciate life insurance as one means of creating or protecting an estate. The New York Times told in a very succinct manner why Mr. Davidson was interested in life insurance when he took his second million in 1917. The New York Times said at that time: It is reported in business circles that Mr. Davidson had been led to double his insurance by two principal considerations. The first is the desire to leave his estate in possession of a large amount of cash so that it will not be necessary to disturb any investments. The second is the advisability of off-setting the heavy demands made by the inheritance tax and possibly other taxes which may arise out of the war.

Mr. Davidson appreciated the fact that by carrying sufficient life insurance to protect his estate he could go ahead with his projects with satisfaction and confidence. Even if the worst should happen, he had $2,000,000 of life insurance. Mr. Davidson left a large estate. Nevertheless, he saw the value of life insurance acting as a buffer and protecting him in his gigantic operations. He realized the fact that even if death came his estate would not be impaired because he carried sufficient life insurance to pay all the taxes, expenses and other demands. When men of wide affairs and large vision turn to life insurance, it gives us greater confidence in the system.

INSURANCE OFFSETS CANADA'S FIRE LOSS

But These Losses Are of Proportions to Create a Serious Problem

The following figures compiled from returns made to the Dominion Fire Commissioner show a serious increase in the damage to property from fire throughout Canada. During the year 1921 there were 25,916 fires reported. These fires caused a loss of 155 lives, fire losses, $45,015,930. These figures do not include forest fires, for which the loss cannot be estimated. The figures for the last four years are as follows:

Years	Lives Lost	Damage to Property
1918	241	$33,817,050
1919	225	25,361,240
1920	224	28,745,590
1921	155	45,015,930

The statistics for 1921 are further analyzed as follows:

Of the total loss, approximately $34,000,000 or 75 per cent. was covered by insurance. On the basis of population, the loss in Canada amounted to $5.22 per capita as compared with $0.90 per capita in Great Britain where fire losses in 1921 only amounted to $36,400,000. By provinces, the distribution of the fire loss in Canada was as follows: Alberta, $2,875,000 or $4.95 per capita; British Columbia, $3,050,000 or $5.82 per capita; Manitoba, $2,864,000 or $4.67 per capita; Nen Brunswick, $2,735,982, or $7.02 per capita; Nova Scotia, $3,177,000, or $6.06 per capita; Ontario, $15,444,817, or $5.28 per capita; Prince Edward Island, $216,478, or $2.44 per capita; Quebec, $10,897,653, or $4.64 per capita; and Saskatchewan, $3,765,000, or $4.93 per capita. As reported by municipal officials, the losses in cities having populations of more than 10,000 amounted to $13,616,951 or $4.29 per capita; in towns of from 1,00 to 10,000 population, $6,184,085, or $7.32 per capita, and in villages and rural districts, $25,214,894, or $5.31 per capita. In places having municipal fire protection systems the loss was $4.90 per capita, and in unprotected places, $5.25 per capita. There were 59 fires where the loss exceeded $100,000; 46 with a loss of from $50,000 to $100,000; 261 with a loss from $10,000 to $50,000; 3,992 with a loss of from $1,000 to $10,000; and 21,558 with a loss of less than $1,000. The 59 larger fires entailed an aggregate loss of $15,824,801 and the 21,558 smaller fires an aggregate loss of $4,644,817. Classified according to the character of the property involved, the more destructive fires occurred as follows: 49 in industrial property with a loss of $8,188,200; 32 in mercantile property with a loss of $5,659,000; 9 in institutional property with a loss of $1,948,561, and 15 in miscellaneous property with a loss of $4,301,465.

WEST DOME CONSOLIDATED

The action of the shareholders of the West Dome Consolidated in ratifying the plan to merge with the Dome Lake Mining & Milling Co., means that this long-discussed amalgamation will now be brought about as stockholders in both companies have consented to the proposal. The new company will have an authorized capital of $5,000,000, made up of 5,000,000 shares of the par value of $1 each. Of these shares 3,000,000 will be equally divided between the shareholders of the two companies. The balance of the stock will be used to raise the money to carry on additional development work and reopen the mill which is already installed on the Dome property. This will also clear up claims on the part of bondholders upon the Dome Lake Mine.

POINTS FOR AND AGAINST THE NEW SAVINGS POLICY

Interest Further Aroused By Announcement of Ontario Govt.

The announcement of the Ontario Government savings department of the adoption of the savings-insurance combination scheme, again draws attention to this innovation which has been previously outlined in these columns. In brief the idea is that a certain monthly deposit is used as a premium on a life policy giving insurance for $1,000 for a period of ten years and returning approximately the amount deposited at the end of the period.

In the case of the Ontario government no special insurance company is defined in the scheme but the depositor can make his selection. As for the government going into this business there appears to be no particular objection if the scheme is made to pay its way without charging up expenses to the government and thus laying an indirect burden on the taxpayers. The following arguments for and against the idea are outlined by the Life Underwriters News:

THE ADVANTAGES OF THE PLAN

From the advocates and sponsors of the plan, the chief advantages seem to be:

Extends the benefit of life insurance to those who could not save to pay on the yearly or even quarterly basis. In this connection it has been pointed out that automobile, piano and furniture dealers have greatly increased their sales by the monthly payment plan.

The Bank forms an incentive to save.

Such plans are a great advertisement for life insurance.

It makes possible extensive advertising along the thrift idea with an unusual appeal to depositors. The idea that it is an insured savings account makes a good selling point.

Bankers can reach certain classes of people and get them to take out insurance with less opposition than if individually solicited.

An entirely untouched class of risks are covered.

Bankers can handle life insurance and the necessary accompanying service cheaper than the life insurance companies.

The depositor is patronizing both the bank and the life insurance company in the one transaction.

It creates new prospects, when they once get on the road to see what life insurance will do for them.

It affords the opportunity for the general agent to obtain a very satisfactory prospect list.

It presents a mortality to the insurance company as the business should be better on individuals who are willing to purchase a proposition covering ten years. Such peaple are apt to be of the same type as those who desire endowments, which class form the most favorable set in the mortality experience of any section of the companies' business.

There is a certain saving in expense for medical fees when several applicants are examined at the same time.

Objections to the Scheme

The question is not so much as to the disadvantages of the scheme, but as to the whether or not the advantages more than outweigh the disadvantages. The following are the arguments that have been raised against the insured savings plan:

The Savings Bank or Trust Companies adopting this plan are simply trafficking on the good name of life insurance to build up their own business.

The plan endeavors to homologize the divergent fields of insurance and banking, between which there is no structural affinity.

To be a success the insurance company must expect, and be able to handle, a large volume through this plan. In the last two or three years the problem has been, how to digest the amount of business received through the regular agency force. If the company's regular production is going to be on a permanently higher scale, the problem is one of the company's ability to accept its regular writing in addition to the amount which comes through the insured savings plan.

The plan calls for a steady and aggressive selling which must be maintained all the time, as business will not come in any more through the insured savings scheme than through the regular channels except by soliciting.

People are often led to believe that the life insurance companies stand back of the whole scheme and are responsible for the depositors money and satisfaction in every respect.

The life insurance company undertakes a very broad moral responsibility in publicly identifying its name with that of the bank. For this is bound to have the effect of publicly endorsing the bank in all its doings. Even if the joint campaign for new business is discontinued, the endorsement of the bank cannot be withdrawn.

Another objection is the increasing danger of bank failures. (There were 321 bank failures in the United States last year and one in Canada.) If one of the banks was operating under one of the insured savings schemes not only the insurance companies but also the good name of life insurance would have been befouled by the association or "tainted by the aftermath of promotion."

Life insurance has far outdistanced the savings bank plan, and the savings bank and trust companies are operated for profit and usually do a much smaller business than the life insurance companies.

The savings bank cannot hope to duplicate the life insurance service which companies give as a by-product, and a great deal of the life insurance they are not equipped to give at all.

Banks do not send notices when the premium is due.

The service which the agent renders is as important at least as the sale he makes. The fear is expressed that if the corps of bank clerks or special salesmen are to sell this insurance that

(Continued on page 15)

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N. B. CROP CONDITION

Wheat Acreage Lower but Hay and Clover Greater

The semi-monthly crop report to June 15 by the department of agriculture, estimates acres sown as follows:—Wheat, 26,900; Oats, 281,000; Hay and Clover, 701,000; Potatoes, 74,000.

The report says:—A slight falling off in the acreage sown to wheat compared with last year is observed. The area of other crops is about the same with a slight increase in the acreage of hay and clover.

Hay meadows are well advanced. Red clover has commenced to bloom. Oats are ten inches high. Potato planting is completed and in most sections these are well advanced.

TRUST AND LOAN IS SENDING MORE MONEY HERE

British Government Ceases To Be Competitor For Capital

A DIFFICULT YEAR

Company's Profits Fell Down and Arrears Increased But Good Clients Not Pressed for Funds

There were some very bad features and some very good features in the mortgage year as experienced by the Trust and Loan Company of Canada, according to the statement of the president, Lt.-Col. the Hon. Sidney Peel, at the annual meeting held recently in London. Referring to Canada he pointed out from the balance sheet that the amount of land investments, properties bought in and held under foreclosure—had risen from $38,697 to $60,936 and interest overdue from $99,265 to $237,402. Practically all these arrears belong to the agricultural West, but referring to them the president continued that they did not cause anxiety because there was good, and in most cases, more than ample security while reserves, which had been made up out of the year's profits, were more than sufficient to cover the most extravagant estimate of possible eventual loss. Total arrears could have been reduced by exercising exceptional pressure but it was not the policy of the company to press hardly on good clients in bad times. Benefits had been reaped in the past off this wise policy and benefits would be reaped again in the future.

A Difficult Year

The fact was that there had been a greater combination of adverse circumstances for the farm industry in Canada than ever before. Not only were there the difficulties of a period of deflation but the season was an exceptionally bad one. He quoted the commissioner, Mr. Campbell as follows:

"You will have observed that the arrears of interest on our mortgages are about double the usual amount, but when we consider the combination of adverse conditions from which the Prairie Provinces suffered last season it is surprising that the amount is not greater. The cost of producing the 1921 crop was at war-time prices for seed, labor, implements, etc. Although the damage to wheat from rust and hail was more than usual, a good average crop seemed assured at the time of cutting, but there was almost continuous rain for six weeks while the grain was in stock, causing it to sprout, and reducing the quality two to four grades. Meanwhile the price dropped more than $1 per bushel. In many cases farmers did not raise enough from the sale of their grain to pay for the threshing. Those who had assets upon which they could borrow in ordinary circumstances could not obtain loans, as the Banks and Mortgage Companies were calling in their loans rather than making new advances. The price of cattle was extremely low, and horses and wool were unsaleable. A combination of adverse conditions such as I have outlined never occurred in Western Canada before and although much inconvenience—and, indeed, some distress was caused for the moment, there are compensations. The soil is thoroughly soaked as a result of the prolonged rains, which is a matter of prime importance for the 1922 crop. This, coupled with enforced economy and a substantial reduction in the cost of farm labor, leads us to hope for normal returns next autumn."

More Money For Canada

On the other hand Sir Sydney said that conditions had been exceptionally favorable in London, where large sums had been lent. Short dated and temporary investments had shown very satisfactory returns with an increase in profits. Expenses during the year were reduced by £2,685, but profits on exchange showed a decrease of £8,400 because the company preferred to increase investments in Canada.

Sir Sidney expressed the opinion that the British Government had now ceased to be a formidable competitor for capital and that the tide had turned as regards interest rates. During the past two or three months people had been very anxious to lend money for five years or more at 5½ per cent. and the rate had now been put down to 5 per cent. He referred to the future with optimism and made the point that the company was once more increasing investments in Canada.

MOUNT ROYAL HOTEL

At a meeting of the board of directors of the Mount Royal Hotel Company, Limited, the secretary of the company reported that the sales of the Mount Royal Hotel debentures by W. A. Mackenzie and Company, Limited, had largely exceeded their underwriting, and that the United Hotels Company had not only paid for one million dollars of debentures, but had also largely disposed of an additional million. There remains to be sold only a very small portion of the underwriting of the late N. A. Macdonald and Company, Limited.

Second quarter earnings of United States Steel should exceed $30,000,000, compared with $19,339,985 in first quarter and $21,992,016 in April-June quarter of 1921. This estimate is based on monthly showing for first three months of current year and increased operations in second quarter.

THE DIAMOND FAMINE

Scarcity of High-Grade Stones in Markets of Europe

Reports of a scarcity of high-grade diamonds in the markets of Europe, which are being brought back to the United States by returning buyers, explain in part, says the Trade Record of The National City Bank of New York, the fact that importation of diamonds in the fiscal year which ends with this month will be but about $32,000,000, or approximately one-third that of two years ago. The value of the diamonds imported into the United States in the fiscal year 1920, the high record year, was $89,000,000 against an annual average of about $30,000,000 per year in the preceding decade, $30,000,000 in the fiscal year 1921, and a prospective $32,000,000 in the fiscal year 1922, which ends with the month of June.

HOUSING PROBLEM RELIEVED AT 'PEG

Approximately 500 New Homes Are Going Up in Greater Winnipeg

From Our Own Correspondent

WINNIPEG.—The building situation in Winnipeg is regarded with economic significance as indicating a lowering tendency in rentals and a cessation of the acute problem of housing. Approximately 500 new homes are going up in Greater Winnipeg at the present time and many more are in prospect. The larger building contracts are now more immediately in prospect; a few definitely under way. Building permits to June 15, 1922, aggregate $3,500,000 compared with $2,800,000 to May 31 1921. Building permits for 1921 amounted to $5,800,000 but present indications warrant the assumption that 1922 building will exceed last year's by probably $3,000,000. A typical instance is that in the past week, within three days, permits were taken out for 24 new homes and two new stores.

The $250,000 extension to Winnipeg Grain Exchange, which got under way this week is first of the large sized projects undertaken in the city this season. The additions to the Great West Life building will be a notable contribution to the city's programme. Five schools averaging $60,000 to $75,000 are under way. One office building is in prospect and this week announcement was made that the first apartment structure to go up since the war would be built during the season.

A virtual concentration upon home building draws attention to the activities of the Winnipeg Housing Commission which last week finished its first three years' operations, so far as approval of loans is concerned. The sum available for 1922, about $850,000, is exhausted. Had there been further funds the Commission could have built many more houses. Homes to the number of 226 are this year being built with the commission's assistance, and this 226, added to the 153 and 206 built in 1920 and 1921 respectively, brings the total of the Commission's houses to 585.

MUTUAL COMPANIES ELECT OFFICERS

Representatives From All Branch Offices Attend Meeting in Saskatoon

From Our Own Correspondent

REGINA.—Robert H. Cook, of Regina, was elected president of the executive of the Western Canada Mutual Fire Insurance Associations at a meeting in Saskatoon. Stratton Whittaker, of Portage la Prairie, is the vice-president, and A. H. Thorpe is secretary-treasurer.

Representatives of the various Mutual Insurance companies attending the meeting were R. H. Cook, Regina; S. Whittaker, Portage la Prairie; Murray G. Doyle, Winnipeg; John Cameron and H. L. Earl, of Saskatoon, and Dr. Vanstone, of Wawanesa.

The reports of the various companies show a total insurance in force as at December 31, 1921, of $367,046,000, with a cash income from premiums and assessments of $744,000. The total loss in the risks, covering fire lighting, and windstorm, was $630,000. The insurance in force shows a gain of $50,000,000 as compared with the figures of 1920, and the losses are $100,000 above the figures expected. All companies reported losses paid, and assessments more difficult to collect.

The total assets of the companies show a large increase over 1920, and now total $4,616,000 which includes cash assets and uncalled residue on premium notes. The total liabilities are $388,000, which include liabilities for unexpired policies according to government standard.

The area covered by the companies is from the eastern boundary of Manitoba to the Pacific Coast.

The records of all companies showed the heaviest loss in British Columbia and Alberta, with Manitoba next, and Saskatchewan slightly better, but with a lower ratio of assessments collected.

POINTS FOR AND AGAINST THE NEW SAVINGS POLICY

(Continued from page 14)

it will not be thoroughly sold or sold to meet the needs of the prospect in the best way, resulting in dissatisfaction and criticism that will re-act unfavorably on the life insurance companies.

The lack of contact between the policyholder and the company's agency force gives no opportunity for the agent to render the service which most companies desire to give, and which is of such great importance, especially in these days.

There is apt to be a conflict of interests. If the individual is ready to invest more money than the unit deposit, it might be best for him to put it into insurance, for the beneficiary. The bank representative when soliciting will doubtless feel that the excess amount should be devoted to bank savings. In such a conflict of interest it would be hard to satisfy the bank and the insurance company that the correct procedure had been followed.

It will disturb the present harmony between the banks and the life insurance companies.

The banks will lose more than they gain. It has been pointed out that financial interests doing a trust business learned years ago that they could get far more business from lawyers than they could hope to take away. Everywhere they are co-operating rather than competing, and instead of writing wills they are urging their customers to go to the lawyers. They solicit trusts that they do not invade the legal profession. The same would apply to life insurance. Such financial institutions can expect more business from friendly insurance men, who are just as numerous and influential as lawyers than they can hope to give through affiliation. Insurance men "circulate" in the community more than any other class of men and their co-operation is valuable because of the contacts established.

The scheme is not apt to be very beneficial to the savings bank, as financial institutions make money on the aggregate of deposits, and by adding largely to the number of names they will not gain much, unless the names mean balances.

The plan increases expense. Two or three separate institutions can never hope to handle the same amount of business and to give the same service cheaper than one institution. It means two overhead and managerial expenses instead of one.

If financial institutions doing a trust business organize to carry on life insurance propaganda in connection with their regular business, it is just as logical that life insurance companies form separate trust companies to administer life insurance estates.

The plan is in opposition to the tendency to confine the selling of life insurance to only those trained to do it. To have a banking institution attempt to properly sell it and serve life insurance policyholders is a dangerous proposition.

It involves more work than ordinary business, requires more clerical help and is the cause of a great deal of trouble.

The banks will not create any demand for life insurance, but will reap the benefits of the educational work which has been done by the life insurance field men, especially within recent years.

There are forms of policies offered by life insurance companies which can be written to serve the same purpose exactly as the insured savings scheme. The scheme, therefore, adds nothing to the advancement of life insurance.

There is a great danger of misrepresentation, even with the very best intentions and most honest savings soliciting.

A danger has cropped up in the United States in that promoters who do not understand either life insurance or banking, are making a business of selling and installing the plan.

BRITAIN REDUCING HER TAX BURDENS

This is Being Brought About by Cutting Into the Expenditures

British business throughout the entire country has unmistakably manifested the keenest interest in a reduction of direct taxation. There was a general demand for reduction in the standard rate of the income tax, which was realized in a drop of 1 shilling in the pound sterling. The report of the Geddes "Axe Committee" helped greatly in making a feasible reduction plan possible. The statement recommending drastic cuts in military and civil-service lists made it possible for the Chancellor of the Exchequer, without incurring possibility of criticism, to make moderate cuts in the army, navy, and air force and the civil service. By thus doing, a considerable curtailment in government expenditures is realized which will make it possible to balance receipts and expenses at a lower budget total—one closer to the theoretically "normal" British budget figure, namely, £800,000,000. There was an organized campaign for a 2-shilling reduction in the standard rate of income tax, conducted by the Federation of British Industries and the press at large. However, in his statement of 1-shilling cut before Parliament, the Chancellor announced that the decision to reduce—involving £46,000,000 less revenue from direct tax—was arrived at before the petition had reached the Government. This item affects only the standard rate income taxpayers. The consumer class receives a benefit from a lower scale of beverage duties, such as tea, coffee, cocoa, and chocolate (beer and spirits excluded), and a reduction in postal charges from May 29 and telephone charges later on. Agriculturists are benefited by a moderation in the annual valuation of land.

"ENERGY"
(TRADE MARK REGISTERED)

Just Real Gasoline

Pure Gasoline Company,
LIMITED

Head Office
9-13 King Street West, TORONTO

Operating
London Pure Gasoline Company, Limited
Oxford Pure Gasoline Company, Limited

Colonial Bond

Selecting Paper With an Eye to Fitness

Commercial stationery—like clothing or furniture—should be chosen with equal consideration as to style, coloring and value.

The appearance of your business letter is just as important as your own personal appearance. "COLONIAL BOND" is a superior, tub-sized, rag content stock with that finish—that appearance of quality which proclaims its fitness for many commercial purposes. It is made in white and colors by The Rolland Paper Company, Limited, Montreal—makers also of "Superfine Linen Record," "Earnscliffe Linen Bond," "Empire Linen Bond," and "Mount Royal Bond."

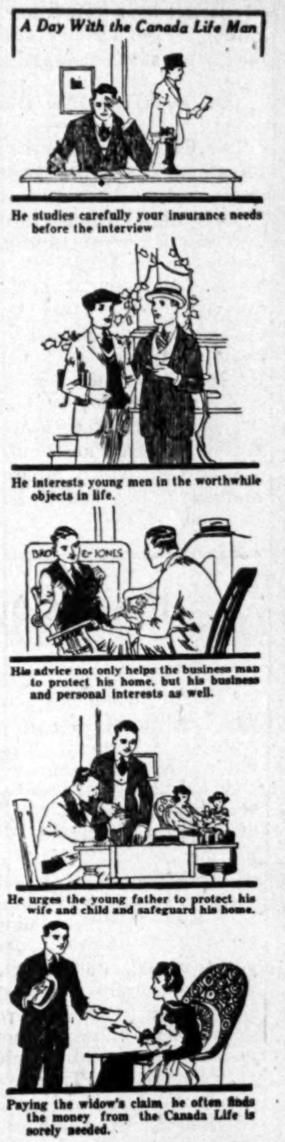
Your enquiry brings a sample by return mail.

The "R Shield" Watermark

Canadian Appraisal Co., Limited
Property Values Definitely Established to Meet All Insurance and Accounting Requirements
TORONTO ROYAL BANK BLDG. 36 UNIVERSITY STREET MONTREAL NEW YORK EQUITABLE BLDG.

He May Call On You

A Day With the Canada Life Man



He studies carefully your insurance needs before the interview

He interests young men in the worthwhile objects in life.

His advice not only helps the business man to protect his home, but his business and personal interests as well.

He urges the young father to protect his wife and child and safeguard his home.

Paying the widow's claim he often finds the money from the Canada Life is sorely needed.

(Each day that passes impresses him more and more with the great need for Life Insurance.)

He represents your wife, your children, your business interests, and therefore has a message of vital importance.

Don't be "too busy" to see him, he has a message you should hear.

There comes a time when a man is *not* "too busy" to hear such a message, but *then*, it is often too late.

The Canada Life Man

represents Canada's Oldest Life Insurance Company, which in 75 years of successful experience has amply demonstrated its service to policyholders. The Canada Life Man is a specialist in Life Insurance, and has been thoroughly trained, so that he is qualified to fit each of his clients with the best possible plan of insurance.

His advice in such matters is to be relied upon, because he tries to serve you as the experienced lawyer gives advice to his client, or the physician the best treatment to his patient.

The Service He Offers

You may not be fully informed as to what life insurance will now do for your home, or your personal and business interests.

Your Canada Life policies may require to be altered to suit new conditions. Perhaps you may wish to arrange to have your life insurance paid as a monthly income. You may require new policies, adjusted to your partnership or business interests. Whatever is needed—he will suggest the best arrangement.

To Our Policyholders

This present season may bring the Canada Life Man to you, but the large number to be seen may make this impossible in every case.

To be sure that he calls on you, we suggest that you use the Coupon below and send it in today.

Many thousands of policyholders throughout Canada have found him always ready to help with any matters pertaining to their life insurance, and in many cases found his advice very valuable.

If you are not yet a policyholder in the Canada Life, but are thinking of securing Life Insurance protection, you can without any obligation whatever obtain any information you desire.

Mail the coupon today. It will bring you real Insurance Service.

Canada Life
Home Office
TORONTO

The Canada Life Assurance Company

Name

Address

Age

12

LIABILITIES OF THE DOMINION SAVINGS ARE MADE SAFE

Huron and Erie Corporation Backed By a Guarantee Take Over Company

THE AGREEMENT

Shareholders of Dominion Savings Get Assets Over Liabilities, Expenses and $25,000

By what amounts to a direct sale, with a repurchase clause, the Dominion Savings and Investment Society of London has been taken over by The Huron and Erie Mortgage Corporation. This is in line with the developments outlined in last week's issue of THE FINANCIAL POST, and makes safe the depositors and debenture holders of The Dominion Savings and Loan Society. The terms of the purchase not previously given, are learned to be as follows:

That the Huron and Erie Mortgage Corporation—having behind it a guarantee fund of $100,000. raised by a number of the leading Loan and Trust Companies in Canada— assumes the assets and liabilities of the Dominion Savings and Loan Society. That the Huron and Erie agrees to return all assets to the Dominion Savings and Loan shareholders in excess of those assets required to pay off liabilities, to pay the expenses of the administration, and a sum of $25,000 which is to be taken by the Huron and Erie Corporation as payment for the service rendered. Such return, of course, is contingent upon assets realized being sufficient to pay all liabilities and leave such a balance. Just what the Dominion Loan and Savings assets will realize is a question. T. H. Purdom, the president of the Dominion Savings thinks these will be sufficient to pay all liabilities and to leave a sum sufficient to give the shareholders practically all they have invested. There are, among the assets, undeveloped bonds. It is therefore, more than ordinarily difficult to determine what these are worth. Under the present arrangement, however, the administration is in skilled hands. It will be unhurried and should give the Dominion Savings shareholders their greatest chance of a satisfactory payment on their shares.

The Guarantee Fund

The exact nature of the guarantee fund raised to back the Huron and Erie Mortgage in assuming this obligation seems not to be clearly understood. This simply is an agreement by a number of Trust and Loan Companies to pay, if needed, all or any part of $100,000 to the Huron and Erie Corporation should the assets of the Dominion Loan not meet the liabilities which, under the scheme in effect, the Huron and Erie has assumed.

The hope is that no part of the guarantee will be required, but the arrangement of this guarantee is significant as a recognition on the part of many Trust and Loan Companies that in their own interests they must do what they can to uphold other companies which have gotten into difficulties. There is, among the Trust and Loan Companies, a division of opinion as to the wisdom of this guarantee, some holding that it establishes a precedent which might be unwise to follow; that it is better to make sure of one's own position, make sure that position is understood, and not to worry about weaker companies in a similar line of endeavor.

Shareholders Assent Required

While the taking over of the Dominion Savings and Loan by the Huron and Erie is practically assured, having had the approval of the board of directors of each company and being accepted as proper by V. Evan Gray, inspector of insurance and loan companies for Ontario, who indeed was in a very large measure responsible for the consummation, the agreement yet has to be ratified by the shareholders of the company. It is felt there will be only one difficulty in securing ratification, that is to get the necessary number of shares to vote, for there are required two-thirds of the shares, and shares to represent two-thirds of the paid-up capital.

While the Huron and Erie Corporation have already taken hold of the affairs of the Dominion Savings and Investment Society that society still continues as a separate entity. At a recent meeting of the Dominion Loan, new directors were elected as follows: T. H. Purdom, president; Alexander Purdom, vice-president; Geo. T. Brown, M. Aylsworth, Philip Pocock, and Norman Howden, directors. Of these Messrs. Brown, Pocock, and Howden are directors of the Huron and Erie Corporation, and Mr. M. Aylsworth, assistant general manager of the Huron and Erie.

Building Under Sale

Already there is some talk of steps being taken toward realization upon the assets of the Dominion Savings. The reorganization of the London Advertiser, stock in which had been given as security for a loan from the Dominion Savings, is said to be in progress. The sale of the Dominion Savings building to the Northern Life was blocked by Mr. Findlayson, inspector of insurance companies for the Dominion Government, who felt this would be putting too much of the Northern Life's assets into one security. The building, however, is to be sold but there is no longer need for hurry in arranging the sale. The old London Advertiser building on Dundas street, from which the paper recently moved, is said to be under sale to the Northern Life for $125,000. The building is not an asset of the Dominion Loan and yet its sale has a bearing on the Dominion Loan assets since T. H. Purdom was a borrower from the Dominion Loan, and since he owns the London Advertiser building and would probably use moneys raised by its sale in liquidating his loan with the Dominion Loan. The Advertiser building has an encumbrance of $65,000.

DANGER AND FOLLY OF FIXING PRICES

Efforts at Artificial Control Have Boomerang Effect On Business

By B. M. ANDERSON, Jr.,
Chase National Bank of New York.

A very striking illustration of the danger and folly of the effort to substitute fixed prices and collective control for the free play of the competitive markets is to be found in the handling of the sugar situation in Cuba during the recent crisis. Startled by a drastic break in prices, the Cuban Government established a sugar commission which fixed a minimum price, and controlled buying and selling. The result was an intensification of difficulties and a virtually complete stagnation. Courageous friends of Cuba among the New York bankers urged that relief could come only from the natural play of market forces and insisted that the price control be dropped and the markets left to take care of themselves. They expected that the first effect of a free market would be some further decline in the price of sugar, but they were confident that, as soon as a free market was established and bottom prices reached, a great buying movement would come from all over the world which would clear the markets. The advice of the New York bankers was taken and the restrictions were abolished. The open market price established was a substantial fraction of one cent a pound below the nominal price which had been set by the sugar commission. The reaction from this low price, however, came very speedily, the revival of buying which had been anticipated speedily came, and within a very few months a whole year's crop of sugar was moved out of Cuba.

When the markets are satisfied that prices are free from artificial control and that they really reflect conditions of supply and demand, goods move and production can go on. The question of right prices is an economic rather than a moral question. Right prices may be defined as prices which will move goods and which, through clearing the markets, permit new goods to be produced. The best way to determine what right prices are is not by a priori calculation, but rather by experimentation in the open, two-sided, competitive markets.

TORONTO STOCK EXCHANGE

The Toronto Stock Exchange held its annual meeting yesterday, and elected officers for the ensuing year. E. G. Wills of Brouse, Mitchell & Co., who has served the statutory limit of two years as president, is succeeded by J. C. Fraser of F. H. Deason & Co. Other officers are the following: vice-president, Robert Cassels of Cassels, Browne & Co.; secretary, A. E. Duncanson of Duncanson, Howe & Co.; treasurer, G. G. Mitchell of Brouse, Mitchell & Co.; and committee, Avern Pardoe of Avern Pardoe & Co., A. D. Morrow of A. D. Morrow & Co., and C. E. Abbs of A. E. Ames & Co.

NEW ALIGNMENT PARTIES IDEA OF SENATOR DAVID

For Protection and Against Public Ownership Policy

LIBERAL-CONSERVATIVE

Argues That Old Provinces and Quebec Must Unite to Achieve Best in Canada's Destiny

From Our Political Correspondent

MONTREAL.—The political event of the week is the public letter of Senator David, practically advocating a union of political parties—Liberal and Conservative—on the basis of a consolidation on behalf of a protective and anti-public ownership policy to combat elements at Ottawa that favor a substantial lowering of the tariff and an extended experiment in public ownership in the form of the Canadian National Railways. Senator David has for long occupied a high position in Liberal councils. While City Clerk of Montreal for nearly 50 years, and as a cultured French-Canadian he enjoyed to an unusual degree a close personal friendship with Sir Wilfrid Laurier.

Nor is Senator David the only prophet preaching the new regime. At a dinner given Hon. Walter Mitchell, a few days ago, Sir Lomer Gouin came out even more vigorously than during the election campaign in support of a protective tariff as an essential part of Liberal policy, and Mr. Mitchell himself, once more enunciated strong views against public ownership of the railways, and even decried the action of the King Government is giving public ownership of the roads a trial.

Here again, there is a deeper significance in Mr. Mitchell's stand than may appear on the surface. Sir Lomer in referring to his former Provincial Treasurer, hinted at a promotion for him at Ottawa in the near future, and Mr. Fielding in his budget speech made a reference to the person who would be bringing in the budget next year. It is felt here, that the two remarks may easily foreshadow the early retirement of Mr. Fielding after he has piloted the Liberal barque through the shallows or rocks in the early part of the course, and the succession of Hon. Walter Mitchell.

That the attitude of the Conservative party in Ontario trends towards existing public ownership projects is not believed here to be any real obstacle to the acceptance of an anti-public ownership platform with Quebec Liberals. It is known that the Federal Conservatives with few exceptions only took over the C. N. R., G. T. P. and G. T. R. as a course forced upon them by exigencies in two instances of war conditions, and in the last case of averting threatened liquidation.

Senator David's letter read thus:

"It is being said, that the situation is abnormal, and that it cannot continue like this very much longer without danger to the regular working of our political institutions, without danger to the best interests of Canada and without diminishing the prestige and authority of the public men of the Dominion.

"It is being said that a government constantly placed between two fires which may at any moment devour it, and whose life depends upon the will, or even the caprice of one of the two groups upon which it is bound to depend for support, cannot have either the strength or the independence necessary for good government and the execution of a policy based on sound and well-defined principles.

"Further, it is being said that our most clear-sighted politicians must before long strive to reach an understanding which will put an end to this regrettable situation or that two of the three groups that now divide public opinion will be obliged to contract an alliance based on the common and settled principles of a truly national program.

"But where are the men who are capable of putting aside their political leanings, or prejudices, in order to adopt such a policy, and who possess sufficient influence and strength to persuade their partizans to accept it And which are the two groups whose alliance would be the most practical and beneficial for the country.?

Outlines Uuion Program

"In order to reply to these questions it will be opportune to ask—what policy is most desirable in the interests of the Dominion? The principal feature of that policy, or the principal article of a union program ought to be as follows:

"(1) A tariff looking to the establishment and maintenance of industries calculated to develop our resources and natural wealth, to keep here our own working-classes and assure for them a living wage and for our agricultural class the Canadian markets that are more than ever needed seeing the attitude of the United States towards our farm products.

"(2) Respect for the rights and the autonomy of the provinces and the development of their natural wealth.

"(3) Respect for the religious and racial rights of minorities.

"(4) An energetic opposition to the nationalization of public utilities and to all innovations the effect of which would be to destroy private initiative and the spirit of enterprise, frighten away capital, and sap the foundations of our political and social organization.

"(5) A policy truly national having in view above everything else, the interests of Canada and the avoidance of everything which would impede its progress and prosperity, interfere with its autonomy and liberty of action, and launch it into conflicts where it would have everything to lose and nothing to gain, and take from it the labor and capital so necessary to prosperity.

Where are the Proper Elements?

"Where are we to find the elements that are best fitted to make this policy triumph The reply is easy with regard to the tariff. All who have followed the budget debate have heard the declarations of the Progressives, have agreed in saying that any understanding with that party is impossible. With that party, it is said, class interests and the interests of the north-west, prevail over all other interests—over the general interests of the country. The Progressives appear to ignore what the old provinces have done for the development of their western territories; they forget that if Canada's debt is heavy it is, in a great measure, because of the sacrifices all governments have made in order to carry out the public works and the railways they demanded. They have had, and still have, as representatives, men who were, and are, able enough, and knew enough to impose their will upon the administration and obtain what they demanded.

"As to the social elements that are best fitted to assure peace and order, and a proper respect for authority and for our social and political institutions it is difficult to find them in those regions. Thousands of individuals who have gone there from all parts have taken in the germs of anarchy and pernicious theories, the deplorable results of which Winnipeg has shown.

In The Old Provinces

"It is an incontestible fact that the inhabitants of those provinces have not the Canadian mentality of the descendants of those who founded the old provinces. In the old provinces, according to what is being said, are to be found the proper elements to an understanding with the Liberals of Quebec that can give effect to a policy the interests and destinies of Canada demand.

"But it is added, it would be very with certain of the more prominent leaders of the Conservative party, and, difficult to come to an understanding moreover, it would be impossible to put on one side a man of the ability of Mr. Meighen. In reply to that, it is said that there was a time when it was believed impossible to effect an aliance between the patriot Morin and the impetuous Sir Adam MacNab; yet it was brought about and accepted by the Liberals of the province of Quebec. Who would have believed that Cartier and his friends could ever unite with John A. MacDonald and especially George Brown? If ever there were two men with whom an alliance was to be dreaded, surely they were Sir Allan MacNab and George Brown. But as Sir Wilfred Laurier often said: 'In politics it is necessary to forget and forgive a great deal, and ask not so much what certain men have been, but, rather, what they are and will become.'

"When the supreme interest of the country exacts the sacrifice, it requires men who are disinterested enough to efface themselves to give first places to others who may be more acceptable. When Cartier believed that in order to assure the success of the project of Confederation, he must cede the position of Prime Minister to a man who would be more acceptable to the people of Ontario, he gave way to Sir Etienne Pascal Tache.

Condition Cannot Last

"It is being said, that in the old provinces will be found the most favorable elements to the success of the reorganization of the political parties. But the western and north-western provinces have as representatives in the House of Commons, and especially in the Senate, some men of great value who dread class politics and would be glad to contribute to the success of a national policy. Several people say and believe that the Liberal party enjoys public confidence to the extent that if forced to a general election it would be returned to power stronger and more able to bring about the triumph of its policy.

"But is the result of an appeal to the people certain? Would not the Liberal party still be face to face with two groups from one or other of which it would be obliged to solicit support? Would it be strong enough to construct an insurmountable barrier against the economic, social and political theories which menace the country with so much evil?

"The daily fight for existence and the necessity to constantly manoeauvre to prevent the Ministerial barque from crashing on the rocks is enervating, exhausting and fatal to a country and those who govern it.

"The evil, perhaps, is not yet great enough, the danger not sufficiently pressing, and the animosities are still too tenacious, it is said, to permit of the reconciliations and understandings necessary to the success of a policy of conciliation, but all who have at heart the material, social and political interests of Canada will sooner or later be forced to adopt that policy. That is what is being said in certain political circles."

Gasoline stocks at refineries decreased during May, acording to preliminary figures of American Petroleum Institute. Stocks declined over 5,000,000 gallons at refineries reporting and which represents 62 per cent of operating capacity of plants in United States.

Possession is Nine Points, But—

By A. B. BARKER.

A recent cartoon of the Little Scorpions Club shows the members in a high state of excitement. One of the lads finding an old man examining the club premises had "soaked" him. The old man turned out to be the owner of the ground and the Club was expecting to have to find new quarters in consequence.

The cartoon was amusing as fiction, but, a few years ago in an Eastern Ontario town a similar occurrence actually happened, the actors being grown-ups. A Golf Club was formed and a wealthy resident gave permission to use enough of his grounds for a nine hole course on two conditions. There was to be no Sunday playing, and no liquor was to be allowed in the club house, but particularly the former. This was insisted on by the owner's wife. Also the owner continued to pasture his cows on part of the course, each green being protected by a circle of posts and chains. This lasted some years with mutual satisfaction until with the lapse of time there arose a "generation which knew not Joseph." The members complained that the cows on the course put them off their game, and finally the secretary wrote the owner requesting that they be pastured elsewhere for this reason.

Then some of the new members, ignoring both the club rules on Sunday play and the owner's stipulation, which they thought narrow-minded, played several successive Sundays, with the result that the club was notified that the lease was cancelled. Since then as the members have not been able to raise funds for a course of their own, only those who can spare the time to go to a neighboring town have had any play.

MONTREAL LIGHT, HEAT & POWER CONSOLIDATED

24th Dividend

Notice is hereby given that a Dividend of One and One-Quarter per cent. on the Paid-Up Capital Stock of the Company (being at the rate of Five per cent. per annum) for Quarter ending July 31st, 1922, has this day been declared:

1st. To Shareholders of record July 31st, 1922, on the Montreal and London, England Registers:

2nd. To Holders of Share-Warrants in Redemption of Coupon Serial No. 24.

Dividend Cheques will be mailed to Registered Shareholders August 15th, 1922; Share-Warrant Coupons will be redeemed on presentation at the Company's Office, 315 Power Building, Montreal, or at the Office of Mr. P. Bon de Sousa, 1 Rue des Italiens, Paris, France.

By order of the Board.

C. S. BAGG,
Secretary-Treasurer.

Montreal, June 19th, 1922.

Abitibi Power & Paper Co., Limited

Dividend Notice

Notice is hereby given that a quarterly dividend of one and three-quarters per cent. (1¾%) has been declared on the Preferred Stock of the Abitibi Power & Paper Co., Ltd., payable the 3rd day of July, 1922, to shareholders of record at the close of business the 20th day of June, 1922.

By order of the Board.

L. R. WILSON,
Secretary.

DOM. TEXTILE COMPANY Limited

Notice of Dividend

A dividend of three per cent. (3%) on the Common Stock of the DOMINION TEXTILE COMPANY, LIMITED, has been declared for the quarter ending 30th June, 1922, payable July 3rd, to shareholders of record 15th June, 1922.

By order of the Board.

JAS. H. WEBB,
Secretary-Treasurer.

Montreal, 29th May, 1922.

The Real Estate Loan Company of Canada, Limited

No. 28 Wellington Street East

Dividend No. 71

Notice is hereby given that a dividend at the rate of three and one-half per cent. for the half-year ending 30th inst. has been declared upon the capital stock of the Company and that the same will be payable at the offices of the Company on and after 3rd July, 1922, to shareholders of record of 19th June, 1922.

By order of the Board.

E. L. MORTON,
Managing Director.

Toronto, 19th June, 1922.

NIPISSING MINES COMPANY, LIMITED

Head Office, Toronto, Can.,
June 12, 1922.

The Board of Directors has to-day declared a Quarterly Dividend of THREE PER CENT., payable July 20th, 1922, to shareholders of record June 30th, 1922. Transfer books close June 30th, 1922, and reopen July 18th, 1922.

P. C. PFEIFFER, Treasurer.

The British-American Oil Company, Limited

The usual quarterly dividend of fifty cents (50c) per share for the three months ending June 30th, 1922, being at the rate of eight per cent. (8%) per annum, has been declared on the paid-up capital stock of the company.

The above dividend is payable on July 3rd, 1922, in American funds to shareholders of record at the close of business on the 28th day of June, 1922, and to share warrant holders on and after July 3rd upon delivery of coupons Serial No. 2 to the Buffalo Trust Company, Buffalo, N.Y.

By order of the Board.

A. L. ELLSWORTH,
Secretary.

Toronto, June 16th, 1922.

The Wabasso Cotton Company, Limited

DIVIDEND No. 18

Notice is hereby given that a quarterly dividend of one dollar ($1.00) per share has been declared on the capital stock of the Company, for the quarter ending June 30th, 1922, payable July 3rd, 1922, to shareholders of record at the close of business on the 15th of June, 1922.

By order of the Board.

JAS. R. RITCHIE,
Secretary-Treasurer.

Montreal, June 8th, 1922.

The Eastern Trust Company

DIVIDEND No. 85

Paid-up Capital	$ 1,000,000.00
Reserve	350,000.00
Trusts and Estates	33,000,000.00

Notice is hereby given that a dividend of two and one-half per cent. for the current quarter ending the 30th day of June, being at the rate of TEN per cent. per annum upon the paid-up capital stock of this Company, has been declared, and that the same will be payable on the 3rd day of July, 1922.

The transfer books will be closed from the 20th to the 30th of June, 1922, both days inclusive.

B. A. WESTON,
General Manager.

Halifax, N.S., June 7, 1922.

TENDERS WANTED

CITY OF SASKATOON

DEBENTURE ISSUE

$491,500

Sealed tenders will be received up to 12 o'clock noon, Monday, July 3rd, 1922, for the purchase of the following sinking fund debentures of the City of Saskatoon, viz:

$101,800	30 years	6 %	Miscellaneous
$ 30,000	30 years	5½%	capital
$ 13,700	30 years	5 %	expenditure
$ 12,000	15 years	6 %	purposes
$125,000	30 years	5½%	Collegiate Inst.
$209,000	5 years	6 %	Capitalization of Tax Arrears.
$491,500			

These debentures are dated July 1st, 1922, interest payable half yearly.

Alternative offers on the basis of interest and principal being payable in Canada only, and in Canada and the United States, are asked for.

Tenders are to be addressed to "The City Commissioners" and marked on the outside of envelope "Tender for Debentures."

The highest or any tender not necessarily accepted. Full particulars will be furnished on application.

HOWARD McCONNELL, Mayor
ANDREW LESLIE, Commissioner

Rosetown School District

TENDERS

for a $24,000.00 issue of 7% debentures, twenty equal annual payments of principal and interest, of Rosetown School District No. 2,534, Saskatchewan, will be received by undersigned up to June 26th, 1922. Full particulars as to school district obtainable at office "Financial Post."

W. M. ASELTINE,
Secretary,
Rosetown, Sask.

Canada Cement Company, Limited

ORDINARY SHAREHOLDERS

Dividend No. 25

Notice is hereby given that a dividend of 1½% for the three months ending June 30th, 1922, being at the rate of 6% per annum on the paid-up ordinary stock of the Company has been declared, and that the same will be paid on the 15th day of July next to Ordinary Shareholders of record at the close of business June 30th, 1922.

H. L. DOBLE,
Secretary.

Montreal, June 16th, 1922.

Tenders Wanted

Take notice that the Roman Catholic Separate School Board of the Township of Sandwich East will accept tenders for the purchase of $42,000.00 of debentures payable in equal annual instalments of thirty years, bearing interest at the rate of six and one-half per cent. per annum. Said tenders will be received on or before the 26th day of June 1922, on which day they will be opened, and should be mailed to Adolphe C. Janisse, R. R. No. 2, Ford City, Ontario, Secretary of the Board.

It is expressly understood that highest or any tender not necessarily accepted.

The said debentures are authorized by By-law Number 4, which was passed for the purpose of raising $35,000.00, the remaining $7,000.00 is authorized by By-law Number 5, which is now being published.

Tenders may be made for the whole amount or for the respective amounts authorized by each By-law separately.

Dated this 14th day of June, 1922.

ADOLPHE C. JANISSE,
Secretary.

Tenders Wanted

Tenders for the purchase of $80,000 ten-year bonds of the County of Peel, payable in equal annual instalments, and bearing interest at the rate of 5½ per cent. per annum, will be received by the undersigned up to 12 o'clock noon, September 1st, 1922.

ROBERT CRAWFORD,
County Treasurer,
Brampton, Ont.

TENDERS WANTED

Sealed Tenders will be received by the undersigned up to July 20th, 1922, for $31,600.00 Corporation of District of West Vancouver twenty-year 5½ per cent. Debentures.

JAF OLLASON
Hollyburn, B. C.

TENDERS WANTED

Debentures for Sale

Tenders will be received by the undersigned up to 12 o'clock noon on the 5th day of July, 1922, for the purchase of debentures of the Corporation of the Municipality of Shuniah for $10,000.00 for improvement of their highways.

These debentures are payable in ten years from the second day of July, 1922, and pay interest at the rate of 6% per annum, said interest payable half-yearly, coupons being attached. Debentures are issued in $1,000.00 amounts, and are payable at the Bank of Hamilton in Toronto or Port Arthur, Ont.

No tender necessarily accepted.

H. A. McKibbin,
Clerk, Municipality of Shuniah.

Dated at Port Arthur,
the 20th day of June, 1922.